

## SUMMARY ARGUMENTS

### 1. The Problem Is Endemic.

It is not a case of a few bad apples, but one of a system gone wrong. As Dr. Robert G. Petersdorf, Dean of the School of Medicine and Vice Chancellor for Health Sciences at the University of California at San Diego, said, "Science in 1989 is too competitive, too big, too entrepreneurial, and bent too much on winning." Princeton University's Patricia Woolf added that fraud is found at the best universities. "Where research excellence is emphasized and where professors publish considerably more papers than is the norm ...[many of those caught cheating were publishing] at a pathological rate."

### 2. Public Funds Are At Stake.

Dr. William F. Raub of the National Institutes of Health, which finances most of the nation's biomedical research, said that his federal office gets about two complaints a month. Raub noted that "each one of these is threatening to the integrity of science."

### 3. Fraud Refocuses Society's Attention On The Negative Side of Science.

Fraud in science not only leads to wasted time and money, but also to diminished respect for the quality of research in general. Fraud can cause harm to patients whose treatments are based on faulty information. "In an era when America appears to be losing its competitive edge in science and, indeed, is falling behind, the prestige of science as a profession is at an all-time low." (Chicago Tribune, November 15, 1988)

## IMPACT

Although the extent of scientific dogma that is based on fraudulent or lax standards is unknown, the fact that the integrity of science is being questioned by Congress, by university associations, as well as scientists themselves is a cause for concern. Some recent publications about the alleged health effects of ETS on nonsmokers are, at the very least, candidates for a debate on lax scientific standards. Since some scientific results are questionable, it should be necessary to verify the validity of these studies before initiation of a legislative solution.

John C. Bailer, former editor of The Journal of the National Cancer Institute, said many scientists distort data that contradict their theories or use improper statistical methods that will give them the most favorable result. Bailer reported that some researchers do repeated experiments until they finally get their desired result, possibly by chance. Then, Bailer said, they report only that result.

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**SOCIAL ISSUES**

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PURPORTED SOCIAL/HEALTH-CARE COSTS ATTRIBUTABLE TO SMOKING (4/89)

"Nonsmokers Do Not Pay An Economic Price For Smoking."

The New York Times

(editorial, 3/13/89)

STATUS

Anti-smokers define "social cost" as the cost of an activity to the consumer, plus the sum of the value of the consequences of an activity in excess of those costs borne by the consumer which accrue to everyone else. One of their prominent accusations is that smoking "costs society billions of dollars each year." This charge is hurled about wildly with figures ranging from \$49 billion to \$100 billion. All the social cost figures associated with smoking appear to originate in a 1978 article by Bryan Luce and Stuart Schweitzer (two health-care economists), "The Economic Cost of Smoking Induced Illness," published by the U.S. National Institute on Drug Abuse.

To calculate the health-care costs, Luce/Schweitzer took a 1976 study by Cooper and Rice which estimated the direct (medical care) and indirect (productivity loss due to death or incapacitation) costs in 1972 of 16 major diagnostic categories without regard to cause. Luce/Schweitzer took a second 1976 study by Boden that estimated "the percentage of major disease categories due to environmental problems, including smoking." They multiplied the Cooper/Rice figures by the Boden percentages for smoking and then adjusted the dollar figures by the change in the Consumer Price Index (CPI) since 1972. In addition, Luce/Schweitzer added the retail dollars spent on tobacco products (\$15.7 billion in 1975) to produce a grand total cost of smoking of \$41.5 billion.

Every "new" social cost estimate has been derived by multiplying the Luce/Schweitzer figures by the rate of inflation. Since the CPI had almost doubled between 1978 and 1985, so, too, have the cost estimates for smoking. In 1985, the Office of Technology Assessment did a paper titled "Smoking-Related Deaths and Financial Costs," which incorporated various studies and produced a "new" estimate of \$65 billion.

<u>Year</u>	<u>Source of "New" Estimate</u>	<u>Costs in Billions</u>
1978	Luce/Schweitzer	\$25.9
1983	Warner	\$49
1985	Office of Technology Assessment	\$39-95

Seeing how the social cost issue developed, it's also easy to see how it has spread: federal, state, and local cigarette excise tax bills are proposed and passed with the ostensible goal of making smokers shoulder more of the burden of the alleged social cost of smoking. Businesses, believing they will increase productivity and limit insurance and health care costs, are prohibiting and even banning smoking at an accelerating rate.

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### SUMMARY ARGUMENT

1. **Taken To Its Logical Conclusion, The Social Cost Theory Can Be Used to Justify All Manner of Government Intervention In Private Business And Individual Behavior.** The most germane example is illustrated by current medical care and national health insurance systems which do not require users to pay according to the amount of health care received. Adoption of the social cost approach to healthcare would in contrast demand that people requiring more medical assistance, such as diabetics or those with kidney ailments, be taxed more heavily to pay for their own care. This would justify government getting involved and create a premise for future intervention.
2. **There Is No Legal Basis For Legislating (in either public or private policy) On Social Cost Grounds.** No court has upheld the social cost argument as a viable legal theory. In fact, in June, the Commissioner of the Minnesota Department of Human Rights found that DCA Inc.'s policy of hiring only nonsmokers, on the basis that smokers are more likely to become disabled or ill, was in violation of the state's Human Rights Act.
3. **Medical Risks Are Associated With All Sorts Of Personal Behavior.** Should those who don't exercise pay more taxes? A recent government study estimates that obesity costs society approximately \$27 billion a year. Should those who take a vacation by car pay more taxes? The government estimates these vacations cost society \$114 billion a year, not including road repairs. What about those who pay for medical services but don't use them? Should they receive tax rebates? It is a fact that lower income groups impose a relatively heavier burden on the health insurance system than higher income groups because of greater reliance on the public healthcare system. Should the government then increase taxes on the poor?
4. **Inappropriate Causal Attributions Of Diseases To Smoking.** Many factors are associated with the development of disease, and smoking has never been demonstrated to be a causal agent of disease. Multifactoriality complicates the attribution of risk to a particular factor. Even if smoking were a contributory factor to illness and premature death, it would be quite inaccurate to attribute to smoking the whole of the associated costs.

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5. **There Is False Counting.** A study by Dr. Robert Kircher, published in the New England Journal of Medicine, analyzed the methodology for calculating mortality figures and concluded that "the underlying cause of death was inaccurately stated on the death certificate in 29% of the cases."<sup>1</sup>
6. **The Largest Component Of Social Cost Estimates Comes From The Indirect Costs Associated With Smoking.** These costs are virtually always derived from lost productivity estimates. No solid data exist linking smoking to decreased productivity. Indeed, one study found that "people who smoke tend to be more productive than those who do not." A Swiss study found that reported differences in absence from work between smokers and nonsmokers disappeared when social class was considered.

Moreover, a recent survey by the Bureau of National Affairs showed that 3% of those companies that banned smoking reported a decrease in productivity after implementing a no-smoking policy, and the vast majority, 89%, reported no effect on productivity.<sup>2</sup>

7. **These Alleged Social Costs Would Be Borne By Smokers Themselves.** The New York Times, March 13, 1989, reported, "Nonsmokers do not pay an economic price for smoking." And even if one insists on believing in a relationship between smoking and decreased productivity, lost production is a private, not a social cost. To count this cost also as a social cost would be to count the same amount twice, thus grossly inflating the "social cost" estimates.<sup>3</sup> Robert Tollison, Director of the Center for Study of Public Choice at George Mason University, states, "When any worker, for whatever reason, is less productive than another, that worker is going to earn less and not be promoted. Society doesn't pay the cost of that worker's low productivity, the worker does, by earning less money."<sup>4</sup>

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<sup>1</sup> Kircher, Robert, "The Autopsy as a Measure of Accuracy of the Death Certificate," New England Journal of Medicine, 1985.

<sup>2</sup> Where There's Smoke: Problems and Policies Concerning Smoking in the Workplace," Bureau of National Affairs, 1987.

<sup>3</sup> "Safer Cigarettes", The New York Times, March 13, 1989.

<sup>4</sup> Tollison, Robert, ed., Smoking and Society. Toward A More Balanced Assessment, D.C. Heath and Company, Lexington, Massachusetts, 1986.

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8. On March 17, 1989, The New York Times reported the findings of a Journal of American Medical Association (JAMA) study stating, "Taxes on cigarettes cover the costs imposed on society by smoking."<sup>5</sup>
9. **Most Current Social Economic Analyses Serve Political Rather Than Economic Ends.** A 1985 study by the Office of Technology Assessment (OTA) is frequently cited by anti-smokers to justify increased legislation. Independent researchers dispute their conclusions, noting that the basis of the report is inconclusive, contains inaccuracies, and relies on incorrect assumptions. For example, some noted that the OTA confused "private costs" with "social costs," and ignored other considerations, such as demographics.<sup>6</sup>
10. **No Attempt Made To Offset Alleged Costs By The Economic Benefits Generated By The Tobacco Industry.** Over 2.3 million jobs are generated by the industry and by expenditures on tobacco products. The industry contributes over \$82 billion per year to the U.S. GNP, and generates \$45 billion in wages. Federal, state, and local governments collect over \$10 billion per year in cigarette taxes, and an additional \$20 billion in other tax revenues related to the tobacco industry.<sup>7,8</sup>

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<sup>5</sup> "Taxes Fail to Cover Drinking's Costs, Study Finds," The New York Times, March 17, 1989.

<sup>6</sup> "Smoking Related Deaths and Financial Costs," Office of Technology Assessment, 1985.

<sup>7</sup> The Tax Burden on Tobacco, Tobacco Institute, 1989

<sup>8</sup> "The Economic Impact of the Tobacco Industry on the United States," Chase Econometrics

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## SOCIAL ACCEPTABILITY (4/89)

### STATUS

When science reports, and the mass media publicize, arcane and remote risks, the public comes to focus on each. The government then responds with legislation, regulation, and research funds, which reinforce the public perception of the risk's significance. The inability to disaggregate and weigh risk factors precisely, contributes to the pervasive sense of being at risk. Whole groups of people whose practices arouse risk fears are ostracized. Some members of the public label boundaries ("don't pollute my airspace"), they demand segregation based on their risk perceptions ("no smoking section, please"), and they torment those who don't share their risk perceptions ("you'll die if you don't stop smoking, start exercising, stop eating red meat...").

This growth in risk consciousness is largely a product of modern society's success in reducing serious risk. The very risks upon which so much attention is focused are those which, even if eliminated, would not significantly improve life expectancy. "The airwaves, the printed page and public lectures bombard us constantly with apprehensions and fears about our well-being. Almost everywhere you turn you find the once-conservative medical profession creating demands and huckstering claims, that were, only so recently, not only unethical but unthinkable." (Washington Post, 4/17/88)

The Wall Street Journal (3/17/89) concludes:

"The witchcraft tales have been drummed into the American psyche these past twenty years principally by environmental groups flogging issue after issue as threatening America with an Apocalypse of cancer and disease."

The Economist (6/18/88) sums up the issue:

"A remote beach on the Bahamas is probably a better bet than Wall Street if you want to avoid a way of life that is likely to fella you with a heart attack. On the other hand, if you do succumb on a Bahamian beach, you are less likely to be resuscitated promptly than if you had keeled over in Manhattan."

Maybe public policy would be better served if the public were given a chance to think rather than reasons to panic.

### SUMMARY ARGUMENTS

1. In lawmaking bodies, the opportunity for media attention offered by the smoking issue is difficult for some legislators to resist:

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### State and Local Smoking-Restriction Bills

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Debated	149	165	165	206	289	374	395	492	411
Enacted	33	45	46	67	69	140	156	197	130

Source: The Tobacco Institute

Smoking is perceived as a health risk to nonsmokers. Therefore, the modern anti-smoking crusaders are satisfied only by driving smokers from society. For all their moralizing they care little about the smoker, but much about themselves. Thus, the anti-smoking movement is fundamentally immoral and elitist.

2. Environmental advocates and consumer movements have encouraged Americans to search for the impossible: a risk-free society. Without risks, life would not be worth living. Aaron Wildaurski, a professor of political science at the University of California at Berkeley, and the author of "Searching For Safety," contended that since all innovation requires risk, a search for absolute safety would inevitably impede both economic and scientific progress.
3. Businesses tend to accommodate "life-style" wishes of vocal employees if for no other reason than to avoid lawsuits. Indeed, the litigious character of post-1970 American society has contributed to the declining social acceptability of smoking. Legal actions create an economic incentive for business to proscribe personal activities that are perceived to be harmful to health and potential grounds for lawsuits or disability claims.
4. Most risk assessments are judged as political questions, not abstract theoretical matters, in which power and economic interests can matter as much as science and calculations.
5. As social acceptability is redefined according to risk perception, and virtually everything contains some level of risk, more and more activities become socially suspect. For example, experts claim natural is better, yet natural foods contain toxins, mutagens, and carcinogens. If no level of risk can be tolerated, then the serious risks and the real problems become obscured: the ozone, water/air pollution, solid waste, hazardous waste, the "greenhouse effect," etc. In cases of minute danger, it is time to reevaluate the saying, "Better to be safe than sorry."

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-- Pros and Cons of health and economic factors produced from a tobacco-free society.
- Wright, Virginia Baxter, "Will Quitting Smoking Help Medicare Solve Its Financial Problems?" Inquiry 23:76-82 (Spring 1986), Blue Cross and Blue Shield Association.  
-- "a successful policy of disease prevention has a recessive economic potential, as more people reach and live well beyond retirement age."

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LIABILITY

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### FIRE-SAFE CIGARETTE LEGISLATION (4/89)

"Fire-safe" describes a hypothetical cigarette that will go out if not smoked in a certain period of time, or a cigarette designed so that it is less likely to start a fire in materials such as upholstery or clothing.

#### LEGISLATIVE HISTORY

Since 1980, legislation to require cigarettes to be made "fire-safe" has been considered by 17 states in the form of 60 bills, as well as by the federal government.

State Fire-Safe Bills	1980	1981	1982	1983	1984	1985	1986	1987	1988
Debated	1	5	8	17	8	3	5	10	5
Enacted	0	0	0	0	0	0	0	0	0

Source: The Tobacco Institute

The majority of the state bills introduced would require agencies within the state to set fire-safe standards, specifically the amount of time allowed for the cigarette to extinguish, the amount of time for development from passage of the bill, and the amount of time for meeting the standards. The others were resolutions urging Congress to pass self-extinguishing legislation. State activity on this issue peaked in 1983, when 10 states considered 17 bills.

So far this year, two states have introduced fire-safe legislation: Massachusetts and Minnesota.

On the federal level, the Cigarette Safety Act of 1984 created the Technical Study Group on Cigarette and Little Cigar Fire Safety (TSG), to investigate technical and commercial feasibility, economic impact and other consequences of developing cigarettes and little cigars, with a minimum propensity to ignite upholstered furniture or mattresses. The Interagency Committee, comprised of the heads of three federal agencies (Consumer Products Safety Commission, Department of Health and Human Services, U.S. Firefighters Association), was given responsibility for supervising the research effort of the Technical Study Group. Cigarette company scientists participated in the 15-member Technical Study Group.

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On October 6, 1987, the TSG released its final report following three years of study of the fire-safe cigarette matter.<sup>1</sup> The group concluded, in brief, that while it may be possible to design a cigarette having a reduced ignition propensity, a substantial amount of further work would be needed to assess the technical and commercial feasibility and other consequences of such a product. The TSG, and subsequently the Interagency Committee, therefore recommended that additional study be carried out in the following areas:

- Design of a standard test method to measure ignition propensity;
- Development of performance data for current market cigarettes, to serve as a baseline for any new cigarettes that might be developed;
- Characteristics of cigarettes, products ignited, and smokers involved in fires;
- Changes in the toxicity of smoke and resultant health effects from the modified cigarettes, and societal costs of injuries from cigarette-initiated fires;
- Acceptability to the smoking public of modified cigarettes.

The TSG and the Interagency Committee also recognized that, depending upon the precise modifications that might be suggested for cigarettes, additional work concerning the economic consequences of the modifications would be required.

#### ARGUMENTS

**1. Attempts To Change Cigarettes Will Not Solve The Problem.**

It is also important to note that a narrow focus on fire-safe cigarettes obscures the broader accidental fire safety problem. A report released by the Consumer Products Safety Commission on national fire loss claims that in 1986 29% of fire deaths were related to cigarettes. This 14% decrease from 1985 (33%) is significant since all of the other categories, with the exception of match-related fire deaths, showed an increase.<sup>2</sup>

**2. Advances In Technology Cannot Be Created Through Legislation.**

The report by the Technical Study Group on Cigarette and Little Cigar Fire Safety concluded that the manufacturing of less fire-prone cigarettes may require some advances in cigarette design and manufacturing technology. Despite attempts by the federal government, the tobacco industry, and by several

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<sup>1</sup>"Improving the Fire Safety of Cigarettes - An Economic Impact Analysis, National Bureau of Statistics, 1987.

<sup>2</sup>"National Fire Loss," Consumer Product Safety Commission, 1987.

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independent scientists, a commercially acceptable fire-safe cigarette has not yet been developed. The report by the TSG concluded that positive health impacts and fire-loss savings have been overestimated because of the false assumption that the necessary industrial capacity exists.

**3. Legislation Jumps The Gun - Validated Measurement Method Does Not Exist.**

The Technical Study Group determined that a validated measurement method is needed to determine if a cigarette is less ignition-prone. State passage of unmeetable standards, such as those being proposed in legislation, would mean a virtual prohibition on cigarette sales in that state. It would, therefore, not result in the anti-smokers' desired end to smoking, but would cause widespread bootlegging and "black market" sales.

**4. Study Doesn't Address Feasibility And Acceptance Issues.**

The Technical Study Group did not address the question of whether the fire-safe cigarette would be commercially feasible, and it assumed that consumers would readily accept the new product. Also, consumer impacts, cigarette industry impacts, tobacco farming impacts, and tax and employment impacts are all estimated **only for the first year** following modification. No calculations have been made to consider the long-term effect on some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, changes in quality of life).

**5. Possible Adverse Employment And Income Effects.**

The Technical Study Group did not rule out the possible increase in the price of cigarettes, or a decline in employment related to the industry, or increased health care costs, or changes in the financial status of the affected industries and professions.

**6. The Cigarette And Tobacco Industry Are Not The Only Opponents Of The Bills To Make A Fire-Safe Cigarette**

Many members of the firefighting and fire prevention community also fear that development of a fire-safe cigarette will interfere with the consideration of more comprehensive answers to the accidental fire problem. Many countries such as Canada, Asia, and Western Europe have achieved significantly lower rates of cigarette-related fires, primarily through improved safety and public education programs, rather than by attempts to change consumer products.

**7. Fire Safety Is Clearly A National Concern.**

Enacting fifty individual and separate laws concerning "fire-safe" cigarettes will cause chaos and confusion. The federal government has already invested several million dollars in the effort to develop a reduced-ignition-propensity cigarette, an investment that supplements the standing efforts of the individual tobacco companies. The tobacco industry, along with most major fire service organizations, supports

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federal legislation that would implement the recommendations of the TSG and has announced opposition to other bills that would ignore the TSG recommendations and move directly to create standards.

8. **Improved Public Education Is The Real Answer.**

Imagine telling a cutlery maker to manufacture a knife that can cut meat but not your finger. Imagine telling a television manufacturer to produce a TV that will unplug itself during a thunderstorm. That would be ridiculous. No responsible person would oppose a reasonable program to promote fire safety. But a law to require fire-safe cigarettes isn't reasonable. It doesn't address the overall fire safety problem and it sets an ominous precedent: government dictating to consumers what products they can and cannot buy. The real answer to fire safety is improved public education, furniture with fire-resistant fabric, safer heating units, and smoke detectors.

9. **Technological Advances Cannot Be Legislated.**

Some cost data presented in this report assume that immediate implementation is technically feasible. This is incorrect. In the case of modifications that call for "expanded" tobacco and increased paper weight, a lack of necessary industrial capacity exists. In both cases, positive health impacts and fire-loss savings have been overestimated as a result of this false assumption.

10. **The Technical Study Group Report Fails To Consider That Behavioral Changes Might Result From Product Modifications.**

For instance, making cigarettes less likely to ignite could cause increased carelessness, perhaps increasing the number of deaths and injuries and the amount of property damage.

11. **The Technical Study Group Report Itself Concludes:**

- a. The savings potential from fire-safe cigarettes is estimated to decline gradually over time. A projected downward trend in consumption, an increase in the prevalence of fire-resistant bedding and upholstery, and improvements in fire mitigation technologies are estimated to diminish deaths and injuries from cigarette fires by 20 to 25 percent, and property losses by about 10 percent, by the mid-1990's (p. vii).
- b. Almost 6,000 jobs will be lost if cigarette circumference is reduced. Reduced circumference lessens the tobacco content, reducing the demand for domestic tobacco by 30%, lessening the price by an estimated \$0.08 per pound of leaf, and lessening the annual tobacco revenue by \$300 million, or 15%. Also, 5,000 full-time tobacco farming jobs will be lost (14%), and over 900 manufacturing jobs will go, while fewer than 200 jobs will be created in other tobacco industry sectors. Note: The report shows that under this modification, health effects could be undesirable (p.33-38).

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- c. 1,700 farming jobs will be lost if cigarette density is reduced. Reduced density lessens tobacco content, reducing the demand for domestic tobacco by 12.7%, lessening the price by an estimated \$0.04 per pound of leaf, lessening the annual tobacco revenue by \$130 million or 6%. At least 1,700 full-time tobacco farming jobs will be lost, while fewer than 600 jobs will be created in other cigarette manufacturing sectors. Note: The report shows that under this modification, health effects could be undesirable (p.36-39).
- d. Long-term effects are unknown. Consumer impacts, cigarette industry impact, tobacco farming impacts, and tax and employment impact are all estimated only for the first year following modification. No calculations have been made to consider the long-term effect of some of these factors (p. 3). Thus, changes in second-order impacts are underestimated (i.e., change in output foregone, change in quality of life).
- e. More government regulation may result. To offset some of the second-order impacts resulting from some of the modifications, the report seems to recommend additional government regulation of agriculture. Government quotas are specifically pointed as a way to resolve demand and price declines imposed on farmers (p. 10).

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## CIGARETTE TESTING AND LIABILITY (4/89)

### STATUS

Section 5 of HR4543, introduced by Representative Thomas Luken in 1988, the preemption and liability clause, would have effectively repealed the national standard for health warnings on cigarette packages and advertisements. It was an attempt to amend the decision made by Congress in 1965 that created a national standard for these warnings and preempted state legislation. The bill would have permitted individual states to determine their own standards for cigarette health warnings.

Luken reintroduced this language in the 101st Congress as a provision of HR1250, the "Protect Our Children From Cigarette Advertising Act 1989."

### SUMMARY ARGUMENTS

1. **Preemption Was Clearly The Intent Of Congress When It Passed The Cigarette Labeling And Advertising Act In 1965.**  
Congress preempted certain state tort actions in order to ensure that the federally mandated warning notice be the only statement relating to smoking and health required on cigarette packages. The rulings of four United States Courts of Appeal (1st, 3rd, 6th and 11th circuits) and various other federal and state courts have upheld Congress's decision to preempt state damage actions relating to smoking and health that challenge either the adequacy of the warning on cigarette packages or the propriety of a party's actions with respect to the advertising and promotion of cigarettes. The true purpose of this type of legislation is to reverse the rulings of these court decisions and the original intentions of Congress.
2. **Preemption Does Not Deny Potential Plaintiffs The Ability To Seek Action Against Tobacco Companies.**  
Although some critics of preemption have asserted that these rulings provide a cloak of immunity that the tobacco companies are hiding behind, tobacco companies have not been immunized from product liability suits. Plaintiffs have consistently failed to prevail in over 300 product liability suits against the industry. This consistency results not because of technicalities in tort law, but because courts and juries have recognized the notion that personal responsibility is a necessary corollary of personal freedom.
3. **A National Standard For Commercial Activity Is In The Public's Best Interest.**  
New health warnings set forth by the states would undermine the uniform warnings prescribed by Congress. To facilitate commercial activity, the Constitution delegated to Congress the duty of overseeing national commerce. As the Founding Fathers recognized, giving Congress the authority to

2501361844

regulate national commercial activity is an intelligent decision, for it eliminates the havoc that would result from fifty different jurisdictions regulating the activity. By determining one common law rather than fifty different ones, a clear and concise standard is set for all to abide by. Changing the present law would create confusion and disrupt national commercial activities.

4. **The True Purpose Of Cigarette Testing And Liability Legislation Is To Allow Plaintiffs To Start Winning Tobacco Product Liability Suits.**

Many advocates of a repeal of federal preemption hope that the state courts and legislatures, if only unleashed, will invent new theories of liability under which smokers can start winning cases against tobacco companies. Such legislation is an effort to use the court system to achieve a social result: eliminating or at least substantially reducing cigarette smoking.

5. **Cigarette Testing And Liability Legislation Would Encourage Individual States To Impose Advertising Bans And Restrictions On Lawful Products.**

Not only would this legislation exacerbate the growing tendency toward the proliferation of advertising restrictions, it would effectively encourage states to impose drastic free speech-related burdens or total bans on cigarette advertising. Regulation by one state could prompt other states to impose comparative restrictions, which would set a dangerous precedent.

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## CIGARETTE MANUFACTURER LIABILITY (4/89)

### SUMMARY OF TORT AND PRODUCT LIABILITY REFORM

Elements of tort and product liability reform have been enacted in more than 30 states, including restrictions on punitive damages, sanctions for frivolous lawsuits, and caps on noneconomic damages. The complexity of reforms has contributed to the increasing problems related to the availability, affordability, and adequacy of liability insurance. The cost of liability insurance is increasing at an alarming rate, while the coverage of such insurance has been narrowed or cancelled altogether. In some instances, juries have given awards upwards of \$10 million for claims dating back to years when flaws were totally unforeseen. Most of these substantial sums paid to settle suits would have been considered of "nuisance value" a decade ago.

This situation has impeded the U. S. manufacturing industry's ability to compete in the international marketplace and has jeopardized new product innovation and development. The system has caused the discontinuance of existing products and research on liability-prone product lines, layoff of employees, and loss of market share.

### STATUS OF CIGARETTE MANUFACTURER LIABILITY

Over 300 product liability suits have been filed against tobacco companies since the first action was brought in 1954 (Edwin Green v. American Tobacco Company). Prior to the Cipollone trial in 1988, 16 of these cases had gone to trial, and not one resulted in a judgment against a tobacco company.

Pending suits have dwindled to fewer than 100 (December 1988) - a drop of more than 40% from the number of suits pending from the year earlier. Thirty-four involve Philip Morris. Over 70% of the remaining cases are being handled by just 6 plaintiffs' law firms.

### LEGISLATIVE SUMMARY

Five states have introduced cigarette manufacturer liability proposals, designed to create a new cause of action against cigarette manufacturers for various diseases purportedly resulting from cigarette smoking.

Illinois (4/85) and Wisconsin (4/88, 9/85) proposals would have permitted family members to sue a cigarette manufacturer for lost financial support due to death, illness, or disability of a relative from "cigarette-induced lung cancer or emphysema." A Louisiana proposal (5/88) would have given the state a cause of action against manufacturers of cigarettes to recover expenses incurred by the state in providing medical treatment for lung cancer for any person that the state can prove contracted the cancer as a result of cigarettes. A Rhode Island bill (3/86) would have established a cause of action for a variety of diseases, including lung cancer, emphysema, and heart disease. Punitive damages would be specifically permitted. A Washington proposal (4/89) would shift the burden to the defendant to prove that cigarette smoking did not cause the plaintiff's injury. All these bills died except for the Washington bill, which is still pending in the Committee on Law and Justice.

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## SUMMARY ARGUMENTS

1. **Civil Law Should Prevent, Rather Than Encourage, The Search For A "Deep Pocket".** Our legal system should be altered to compensate people who have been injured and to minimize the threat of lawsuits that are discouraging individuals and companies from introducing innovative products for fear of prohibitive liability awards. The courts should return to the concept of real fault and penalize only those who make unreasonably dangerous products, engage in illegal or deceptive practices, or maliciously harm others. This would prevent our legal system from becoming a playground for hypochondriacs.
2. **Consumers Have Been Aware Of Possible Health Hazards For Several Decades.** The ordinary American smoker has, in fact, been deluged with information about the potential hazards of smoking since the first Surgeon General's Report 25 years ago. Indeed, smoker awareness of possible health hazards was high in the early 1950s, when Reader's Digest -- the most widely read publication in America -- touched off the first health scare. Under the concept of strict liability, a manufacturer may be found liable for damages only if he fails to warn consumers of the "unreasonable dangers" of a product he markets. The four-decades-old controversy over the issue of smoking and health will make it difficult for juries to find that cigarette smokers were not adequately warned of the potential dangers.
3. **Tort Reform Should Put Restrictions On Liability Awards.** The number of lawsuits has exploded in the past 25 years. While million-dollar jury verdicts were awarded only twice in 1963, the count was over 400 for 1987, not including the cases settled out-of-court. The cigarette "accountability acts" that have been introduced would create an administrative nightmare, prompt unnecessary and unwarranted litigation, create uncertainty where none now exists, and create a business out of liability lawsuits.
4. **Tort Reform Must Consider Inappropriate Casual Attributions Of Disease To Smoking.** The presumption of causation is irrational and arbitrary, violating the due process clause of the U.S. Constitution. Scientific research over the past 15 to 20 years has determined that a number of other factors are associated with many of the diseases commonly linked to smoking. Thus, such legislation repudiates the universally recognized and fundamental premise of tort law: A plaintiff must prove causation as a prerequisite for recovery.
5. **The Singling Out Of The Tobacco Industry From Among Numerous Others That Manufacture Lawful Products Alleged To Cause Harm Is Discriminatory And In Violation Of The Constitutional Guarantee Of Equal Protection.**

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## WARNING LABELS (4/89)

### STATUS

On October 12, 1985, Congress required four new warning labels on all cigarette products and advertising to be rotated quarterly. This is the second revision in the federal labeling law since 1966. The labels begin with "Surgeon General's Warning" and state:

- "Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy."
- "Quitting Smoking Now Greatly Reduces Serious Risks To Your Health."
- "Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight."
- "Cigarette Smoke Contains Carbon Monoxide."

In 1988, Senator Bill Bradley (D-NJ) added an amendment to the Omnibus Drug Bill to require a fifth warning be added to the rotation:

"Smoking is Addictive." The provision was omitted from the bill. In the 101st Congress, Representative Jim Slattery (D-KS) introduced the "Federal Cigarette Labeling and Advertising Act, Amendment," which would require cigarette packaging and advertising to bear a permanent label, in addition to the four current labels, stating: "Surgeon General's Warning: Nicotine in Cigarettes is an Addictive Drug." The bill is pending in committee.

### SUMMARY ARGUMENTS

The continued emphasis on histrionic labels appears unnecessary in light of virtually universal knowledge (90+%) of the health risk claims regarding smoking.

In hearings before the United States House of Representatives in March 1982, on a proposal for rotational warnings, a letter by Burns W. Roper, Chairman of the Roper Organization, concluded, "The public is highly aware of the reported danger of smoking." In a Report to Congress, the Federal Trade Commission stated: "More than 90% of adults now believe that smoking is hazardous to health."

In an article on causes and prevention of cigarette smoking in children and young adolescents, published in the Journal of Advances in Behavioral Pediatrics (1981), N.T. Blaney states:

"Perhaps the most consistent finding for both adolescents and adults is that knowing that smoking is harmful does not deter people from smoking nor does increasing a person's awareness of the risks cause smoking habits to change....At present, data do not show that knowledge of health risks either differentiates between smokers and nonsmokers or serves to deter the onset of smoking."

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**REGULATORY  
ISSUES**

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## TOBACCO REGULATION (4/89)

### STATUS

On February 13, 1987, the Federal Trade Commission voted unanimously to close the Cigarette Testing Laboratory. Despite the fact that neither the Senate nor the House Appropriations Committees, both notified in advance, had any objections, the lab closing provoked a flurry of legislation designed to further regulate tobacco.

### LEGISLATION

In 1988, Representative Jim Bates (CA) introduced a bill, HR2376, which would give the Consumer Product Safety Commission jurisdiction over tobacco products. Representative Robert Whittaker introduced HR3294, which would give control to the Food and Drug Administration. The provisions of these bills would require disclosure of all additives and constituents, a national minimum age of 18 for purchase of tobacco products, a prohibition of free sampling, and more stringent labeling. Both bills died in committee, although Whittaker's bill was reintroduced in the 101st Congress.

### SUMMARY ARGUMENTS

1. **The FTC's Cigarette Testing Laboratory Was Redundant.** In testimony to the House, the FTC said, "the closing of our in-house facilities will not significantly affect our ability to ensure the accuracy of tar and nicotine claims." Moreover, the Tobacco Institute Testing Laboratory methods are recognized to be identical, and the FTC representative is guaranteed unlimited right of access to the TITL facility and all documentation. Finally, since 1977, the FTC has asked numerous agencies (including the CPSC, FDA, BATF, DEA, EPA, OSHA, the Office on Smoking and Health, and the National Cancer Institute) to take over the testing program, and all declined.
2. **Tobacco, Tobacco Products, And Tobacco Use Are Currently Over-Regulated.** From leaf to smoke, tobacco is the most regulated commodity in the United States. USDA and EPA regulate the crops; the Office on Smoking and Health in the Department of Health and Human Services monitors ingredients; the FTC and the FCC monitor cigarette advertising, marketing, and labeling; BATF regulates other aspects of packaging; FAA regulates smoking on airplanes; GSA regulates smoking in government buildings; indoor air quality in other locations is the responsibility of the EPA and OSHA; finally, three special governmental bodies have oversight of tobacco-related matters: the Interagency Committee on Smoking and Health, the Technical Study Group on Cigarettes and Fire Safety, and the Interagency Committee on Indoor Air Quality.

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3. **The Consumer Product Safety Act of 1972 Specifically Excludes Tobacco And Tobacco Products From CPSC Jurisdiction.** The purpose and objectives of the CPSA were clearly and logically defined to meet a specific need to protect the consumer from injury and death resulting from accidents caused by defects, latent dangers, and improper use of certain household products. The CPSA did not intend to include products already covered by existing regulation, clearly excluding tobacco and tobacco products, which are subject to regulation under the Federal Cigarette Labeling and Advertising Act.

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## TOBACCO PRICE SUPPORT PROGRAM (4/89)

### STATUS

The Federal Government Tobacco Price Support and Production Control Program currently in effect guarantees farmers a minimum price for their tobacco in return for strict limits on production. All tobacco types are eligible for the program, which is voluntary. Growers of each type of tobacco are given the choice, via referendums every three years, to participate. Most elect to be bound by price support guidelines. The tobacco is taken as collateral by a cooperative owned and operated by growers. The program is designed to ensure the farmer a reasonable return for his considerable investment.

### SUMMARY ARGUMENTS

1. **The Money Is Not a Gift.**  
It is a government-backed loan, to be paid back just like the government loans for small businessmen, students, and home buyers, and is paid back with interest.
2. **The Government Does Not Pay For Tobacco.**  
Since 1982, each participating grower has contributed to a fund held by his cooperative to ensure repayment of loans and interest.
3. **Tobacco Net Loss Is Pennies Compared To Other Supported Crops.**  
The Commodity Credit Corporation, the organization that oversees the price support program, shows a \$58 million net loss on tobacco loans over a half century - the result of only two or three bad years - while the corn and wheat price support programs each show over fifty times the loss (\$3 billion) and cotton thirty times the loss (more than \$2 billion).
4. **Without the Support Program, Tobacco Products Would be More Readily Available.**  
Critics argue that the program makes tobacco products more readily available. This is not true. The program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.
5. **Without the Program, Many More Acres Would be Devoted to Tobacco.**  
Overplanting would bring a larger tobacco supply and lower prices for the farmers, who could lose their land and other capital. Such widespread financial and commercial disruptions would create recessions with national repercussions.
6. **Without the Program, Conditions Would be Worse.**  
Michael Perschuk, a former member of the FTC and an anti-smoking zealot said, "Without the program there would be a return to the conditions which spawned the program in the great depression."

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7. **Price Support Programs are an Agricultural and Economic Matter,  
Not a Health Issue.**

Surgeon General Koop and federal health officials consider price supports to be an agricultural and economic matter, "not an issue concerning public health. It's hard to see how a subsidy by the government encourages young people to start smoking or keeps people who are smoking continuing."

Source: The Tobacco Institute

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## TOBACCO AND INTERNATIONAL TRADE (4/89)

### STATUS

On February 18, 1988, a meeting of the Interagency Committee on Smoking and Health discussed the issue of tobacco and the United States trade policy. Although U.S. trade policy jurisdiction rests with Congress and the Administration through the U.S. Trade Representative and with such cabinet departments as State, Treasury, Commerce, and Agriculture, this committee, headed by Surgeon General Koop, met to consider possible ways to decrease American exports of tobacco.

On March 22, 1989, Representative Melvin Levine (D-CA) introduced the Tobacco Export Reform Act, requiring warning labels on all exported cigarette packages in the primary language of the receiving country. The Act would also "prohibit the use abroad of any advertising media unlawful in the U.S." and prevent the Executive Branch from "expanding" foreign tobacco markets.

### SUMMARY ARGUMENTS

#### 1. Eliminating Trade Barriers Does Not Increase Cigarette Consumption.

There is no evidence that eliminating a trade barrier against American cigarettes in a foreign country increases smoking in that country. For example, in Japan, the sale of U.S. brands is up sharply, but overall cigarette consumption has declined every year since 1982. In Thailand, overall consumption has risen slightly for the past two years, although American cigarettes are virtually banned. Also, in China, the Soviet Union, and Poland, increased cigarette consumption cannot be attributed to American cigarettes, which are generally not available. If American brands are denied entry, smokers in these countries will not stop smoking. They will simply not smoke American cigarettes, consuming instead local brands or cigarettes made in Germany, the Netherlands, England, or Bulgaria.

#### 2. Exports Of Cigarettes And Leaf Tobacco Maintain Employment And Earnings.

Exports of cigarettes and leaf tobacco maintain employment and earnings nationally and in several states. In 1988, the U.S. Agriculture Department estimated that almost one out of every six cigarettes made in the U.S. went to foreign buyers. Late Secretary of Commerce Malcolm Baldrige said that every billion dollars in exports creates 25,000 American jobs. Therefore in 1988, tobacco exports would have accounted for over 80,000 U.S. jobs. Another favorable by-product of increased American cigarette sales in Japan and Taiwan is that those government monopolies are adding more American-grown tobacco to their cigarettes to compete with American brands.

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3. **U.S. Continues To Obtain Tobacco Trade Surplus.**

The tobacco industry has consistently produced an annual surplus, even when the U.S. national trade deficit reached \$137.3 billion in 1988. Between the years 1980 and 1988, tobacco's trade surplus increased by 91.5%. Also, in 1988, five of the top ten export earners were agricultural products, including tobacco and tobacco manufacturers.

**Tobacco Trade Balance Surplus (\$millions)**

1980	1981	1982	1983	1984	1985	1986	1987	1988
1867.0	1971.6	1938.0	1887.0	1944.2	2126.8	2011.1	2669.1	3575.1

Since the U.S. trade deficit is concentrated in a few economies of the world, such as Japan, Germany, Hong Kong, and Taiwan, and tobacco trade with these countries generates a positive U.S. balance, tobacco could provide the example that other American industrial sectors should follow if the trade deficit is to be reduced.

4. **Export Restrictions.**

The regulation of cigarette sales should be the province of the country in which they are sold, not the exporting country. If the American government were to place restrictions on U.S. cigarette exports, that would constitute cultural imperialism against foreign nations. The U.S. would not want a foreign government placing speed governors on auto exports because it believed Americans drove too fast. By the same token, the U.S. has no right to interfere in another country's consumption patterns.

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**APPENDIX A**

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## COMPANIES WITH NO-SMOKING POLICIES

### Employers Who Provide Some Smoke-Free Areas at Work:

These states control smoking in government workplaces: Alaska, Arkansas, California, Connecticut, Florida, Hawaii, Iowa, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, Oregon, Utah, Washington, and Wisconsin.

Bank of America, San Francisco, California and elsewhere; 70,000 employees  
Bank One, Columbus, OH  
Blue Cross Health Serves, Inc., St. Louis, Missouri  
Chicago Tribune, Chicago, Illinois  
Cincinnati Bell Telephone Co., Cincinnati, Ohio  
Combustion Engineering, Stamford and Windsor, CT, 4,200 employees  
Continental Illinois Bank & Trust Co., Chicago, Illinois  
The Daily News, New York, NY  
Dow Chemical  
E.I. du Pont de Nemours & Co., Wilmington, Delaware, and elsewhere  
Ford Motor Glass Plant, Tulsa, OK  
Frederick Electronics, Frederick Maryland, 350 employees  
General Electric, General Purpose Control Dept, Mebane, North Carolina  
General Motors Corp., Detroit, Michigan, more than 500,000 employees in 151 locations in 26 states  
General Motors Corp., Indianapolis, IN, 7,500 employees  
Hewlett-Packard, Palo Alto, California, and elsewhere, 30,000 employees  
Levi-Strauss, San Francisco, California, and elsewhere, 35,000 employees  
Martin Marietta Corp., Bethesda, Maryland, and elsewhere  
McGraw-Hill, New York City and elsewhere, 15,000 employees  
Mobil Oil Corp., New York, New York  
New England Mutual Life Insurance Co., Boston, Massachusetts  
New England Telephone Co., Providence, RI 29,000 employees  
Ontario Ministry of Health, 13,000 employees  
J.C. Penney, Inc., New York, New York  
Procter & Gamble  
Prudential Insurance Co., Newark, NJ, 83,000 employees  
Public Service Electric and Gas, Newark, New Jersey  
RAI Research Corp., Long Island, NY  
Ralston-Purina Co., St. Louis, Missouri, 50,000 U.S. employees  
Rejis Commission, St. Louis, MO  
Rexham Corp.  
Rockwell International, Rocky Flats Plant, North American Space Operations, Golden, Colorado  
Roy M. Huffington Inc., Houston, TX  
Sears, Roebuck & Co., New York, New York  
Slate Industries, Ashland City (ban in areas where hazardous)  
Southwestern Bell Corp., St. Louis, Missouri, as of 1/1/88  
Sperry Co., Blue Bell, Pennsylvania; 3,800 employees  
The Bankers Life, IA  
Travelers Insurance Co., Hartford, Connecticut  
Weyerhaeuser, Tacoma, WA  
Whig-Standard Newspaper, Ontario, CA  
WSMV, Nashville, TN  
Xerox Corp., Stamford, Connecticut  
Zale Corp., Dallas, Texas, 17,000 employees

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**Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations:**

Aetna Life & Casualty Co., Hartford, Connecticut; 40,000 employees  
AT&T  
Avco Aerostructures Textron (smoking banned for fire prevention)  
Bancroft & Whitney Co., San Francisco, California; 220 employees  
Baptist Hospital (patients allowed to smoke in rooms, employees may smoke only in designated areas)  
Bethlehem Steel Corp. Bethlehem, PA; 1,600 employees  
British Columbia Ministry of Health, Victoria, Canada; 65,000 employees  
British Columbia Telephone Co.  
Brooklyn, New York District Attorney; 700 employees  
Catholic Health Association, St. Louis, MO  
CIGNA Insurance, Bloomfield, Pennsylvania; 12,000 employees  
Cincinnati Bell Telephone Co.  
Citizen, Northshore, Washington  
Control Data Corp., Minneapolis, Minnesota and elsewhere; 55,000 employees in the U.S.  
Daily News, Longview, Washington  
General Electric, Bridgeport and Fairfield, CT  
Harvard University, Cambridge, Massachusetts  
Health & Welfare Canada; 10,000 employees  
Health Insurance Association of America, Washington, D.C., New York City and Chicago  
Hollis Automation Inc., Nashua, NH  
Honeywell, Inc., Minneapolis-St. Paul, Minnesota  
IBM; 200,000 employees  
Immuno Nuclear Corp., Stillwater, Minnesota  
KAKE-TV, Wichita, Kansas  
Kansas Dept. of Health and Environment  
Lawrence-Berkeley Laboratories, Berkeley, California; 2,600 employees  
Lee Tire & Rubber Co., Valley Forge, Pennsylvania; 200 employees  
Lord & Taylor, New York, NY (smoking banned in 5th Avenue executive offices)  
Los Angeles Airport air traffic controllers; work area  
Manville Corporation  
Marion County Health Dept., Indianapolis, Indiana; 550 employees  
Massachusetts Dept. of Public Welfare, Attleboro office  
Merck & Co.  
Michigan Dept. of State; 2,500 employees in 180 offices  
Midland Brake Inc., Iola, Kansas; 500 employees  
Mountain Bell, Lakewood, CO (banned on some floors)  
New Jersey Bell; 20,000 employees  
New Jersey State Department of Health; 1,300 employees  
New Milford Hospital, New Milford, CT; 450 employees.  
Opryland USA  
Pacific Mutual Life Insurance Co., Newport Beach, California; 1,200 employees  
Pacific Telesis Group, California and Nevada; 76,400 employees  
Perkin-Elmer Corporation, Norwalk, Connecticut headquarters; 10,000 employees  
Pima County, Arizona (Tucson); 4,000 employees  
Pitney Bowes, Fairfield County, CT; 7,000 employees  
Pratt & Whitney Aircraft, Government Products Division, Palm Beach, Florida; 7,000 employees (Hartford, Connecticut headquarters extended the rules to three divisions affecting more than 40,000 employees)

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**Employers Who Provide More Extensive Smoke-Free Areas, Including Work Stations (cont.):**

Ramsey County Welfare Dept., St. Paul, Minnesota  
RFL Industries, Inc., Boonton Township, New Jersey; 300 employees  
W.W. Richardson Insurance Agency, Inc., Warren, Rhode Island  
Safeco Insurance, Seattle, Washington; 7,000 employees  
St. Thomas Hospital (visitor smoking only in designated areas of waiting rooms and cafeteria, patients allowed to smoke in rooms only with physician's permission. Hospital departments set own policy. Employee lounges on alternating floors are designated smoking or nonsmoking)  
Tallahassee Democrat, Tallahassee, Florida (smoking ban in newsroom)  
Television Bureau of Advertising, New York, New York  
The Tennessean (smokers segregated from nonsmokers; right of nonsmoker prevails where segregation is not possible. Smokeless ashtrays provided in newsroom. No smoking in public areas; nonsmoking area in cafeteria)  
Tennessee State Government (Dept. of Health and Environment, Dept. of Health and Human Services, Dept. of Commerce and Insurance)  
U.S. Government, Department of Health & Human Services, Tennessee Valley Authority  
United Technologies Corporation, CT (including 4 Pratt & Whitney divisions); 600 corporate workers  
University of Arizona, Tucson, Arizona  
Vanderbilt University and Medical Center (no official smoking ban at the university, but hospital has designated smoking areas)  
Wall Street Journal, New York, New York  
Wells Fargo Bank, California  
Wichita, Kansas Fire Department; 400 employees

also companies that use Live for Life health program, including Johnson & Johnson, New Brunswick, New Jersey

**Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas:**

Adrian Construction Co., Inc., Dallas, Texas; 20 employees in office  
Amway Corp., Grand Rapids, MI  
Bass Shoe Co., ME  
Bata Shoes, Don Mills, Ontario, 200 employees  
Becton Dickinson and Co., Paramus, New Jersey; 600 employees (smoke-free except for some private offices. This policy is recommended for other U.S. and foreign sites 19,000 employees.)  
Blue Cross and Blue Shield of Minnesota, St. Paul, Minnesota; 1,600 employees  
Blue Cross and Blue Shield; New Jersey  
The Boeing Co., Seattle, Washington and Wichita, Kansas; 83,000 employees  
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees  
Campbell Soup Co., Camden, New Jersey (total smoking ban since 1969)  
Central Telephone Company-Nevada, Las Vegas, Nevada; 2,000 employees  
Chesapeake and Potomac Telephone Co., (10,500 employees)

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**Smoke-Free Companies, Except for Certain Lounges, and Cafeteria Areas:**

City Federal Savings and Loan Association, Piscataway, New Jersey, and elsewhere; 5,000 U.S. employees (smoking allowed in private offices)  
C&P Telephone  
C&T Telephone, Washington, D.C.  
Connecticut Mutual Life insurance Co., Hartford, Connecticut; 2,100 employees  
Continental Heritage Press, Tulsa, Oklahoma; 12 employees  
Continetal Incorporated, Seattle, Washington; 130 employees  
Adolph Coors Company, Golden, Colorado; 10,000 employees  
Datascope Corp., Paramus, New Jersey; 700 employees (smoking allowed in private offices)  
Deluxe Check Printers, St. Paul, Minnesota and 65 other locations in 35 states; 11,000 employees  
Department of Health & Human Services, Region X Office, Seattle, Washington  
Department of Human Resources, Charleston, W.VA  
Duke Power Company, Charlotte, NC  
Ellis Fischel State Cancer Center, Columbia, MD  
Emporia Gazette, Lawrence KS  
Falcon Safety Products, Mountainside, New Jersey  
Family Life Insurance, Seattle, Washington  
Federal Cartridge Corp., Anoka, Minnesota; 2,000 employees  
Federal Government  
Federal Home Loan Bank, IA  
Ford Motor Company  
Foremost Corporation of America, Grand Rapids, MI  
Fusion Systems Corp., Rockville, Maryland (Smoking is allowed only in one or two enclosed, fully ventilated smoking rooms in each building.)  
Grandview Hospital, Lansdale, PA  
Group Health, Inc., Minneapolis, Minnesota; 2,000 employees  
Guaranty Bank & Trust Co., MA  
Johns-Manville, Denver, CO, (in effect approx. 1 year)  
Journal Sentinel Inc., Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)  
Juneau-Douglas Telephone Co., Juneau, Alaska; 75 employees  
Kentrox Industries, Portland, Oregon  
Kessler-Ellis Products, Atlantic Highlands, New Jersey; 85 employees  
Kraft Inc.; all Headquarters and Technology Center locations, (2/1/88 company sponsoring smoking cessation classes)  
Kroger (in offices, company has supplied smokeless ash trays; in stores, employees may smoke only in designated break rooms)  
Lee Company, Salina, Kansas  
Levi Strauss and Co.  
Love Box Co., Wichita, Kansas and elsewhere; 700 employees  
Lowenstein Supply Corp., Vineland, New Jersey; 25 employees  
Lutheran Brotherhood, Minneapolis, Minnesota; 800 employees  
Medtronic Inc., Minneapolis, Minnesota; 3,000 employees  
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees  
Metro Government (Board of Health policy bans smoking in clinic waiting areas)  
Middletown, New Jersey Police Department  
The Milwaukee Journal, Milwaukee, WI, (sponsors cessation classes in effect 1/4/88)

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**Smoke-Free Companies, Except for Certain Lounges, Cafeteria Areas (cont.):**

MSI Insurance Co., Arden Hills, Minnesota; 800 employees  
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees  
(smoking cessation classes)  
New England Deaconess Hospital, Boston, Massachusetts  
Nissan Motor Manufacturing Corp. U.S.A., Carson, CA  
Northwestern National Life Insurance, Minneapolis, Minnesota; 2,000  
employees  
Perkin-Elmer Corp., Physical Electronics Division, Eden Prairie, Minnesota  
400 employees  
Premier Dental Products Co., Norristown, Pennsylvania; 65 employees  
Prentice Hall, Englewood Cliffs, NJ; 3,500 employees  
Press Herald and Evening Express, Portland, Maine  
Project Hope Millwood, Virginia; 100 employees  
Quadram Corp., Atlanta, GA (no smoking in executive suites; smoking  
limited to a designated lounge)  
Quakertown Free Press, Quakertown, Pennsylvania; 75 employees  
Quill Corporation, Lincolnshire, Illinois; 700 employees  
Raven Industries; Sioux Falls, South Dakota; 900 employees  
Record, Meriden, Connecticut  
Riviera Motors Portland, Oregon; 650 employees  
Service Merchandise Co., Nashville, TN  
Shoney's Inc., Nashville, TN, (employees may smoke only in break room,  
no-smoking areas for customers)  
South Central Bell Telephone Co., Birmingham, AL  
Stanley Works World Headquarters, New Britain, Connecticut; 200 employees  
Stride-Rite Shoe Co. Cambridge, Massachusetts  
Office of the Surgeon General and Office of International Health, U.S.  
Dept. of Health and Human Services, Rockville, Maryland  
Texas Instruments, Dallas, TX, throughout U.S. (since 12/31/86)  
Tip Top Printing Co. Daytona Beach, Florida; 40 employees  
Unigard Insurance Group, Seattle, Washington; 1,600 employees  
U.S. Post Office, Tallahassee, Florida  
Verx Corp., Madison, WI, (As of March 1, 1988 only in smoking lounge)  
Washington Federal Savings and Loan Corp., Seattle, Washington; 200  
employees  
WCAL/WCAL-FM, Northfield, Minnesota  
Westlake Hospital, Melrose Park, Illinois; 1,200 employees

**Entirely Smoke-Free Workplaces:**

The Aerobics Activity Center, Dallas, Texas; 300 employees (effective  
since opening in 1972)  
Advanced Micro Devices Inc., Austin, Texas; 2,200 employees (effective  
Jan. 2, 1989, encourages smoke cessation classes)  
Aid Association for Lutherans, Appleton, Wisconsin (effective 5/87)  
Allentown Health Bureau, Allentown, Pennsylvania (since 1985)  
Allstate Insurance Co., 5,8000 buildings and agent offices nationwide,  
(8/1/88)  
American Heart Association National Center, Dallas, Texas (no smoking  
allowed anywhere on property)  
American Lung Association, New York, New York and affiliates nationwide

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Entirely Smoke-Free Workplaces (cont.):

Anderson's China Shop, Minneapolis, Minnesota (effective since 1982)  
Austad Co., Sioux Falls, South Dakota, 180 employees (effective since 1963)  
Benchmark Graphics, Plymouth, Minnesota (effective approx. 1980)  
Joan Eastman Bennett Property Designs, Summit, New Jersey; 25 employees  
Benton, Arkansas, schools ban all tobacco use on school property  
Bethel College Seminary, St. Paul, Minnesota (unwritten policy)  
Blue Cross and Blue Shield Topeka, Kansas and 15 other Kansas cities; 1,260 employees (effective 1/1/87)  
Blue Earth Hospital, MN (Employees may not smoke at all)  
Blue Shield, Camp Hill, PA (no smoking anywhere on complex; 1/4/88)  
Boyd Coffee Co., Portland, Oregon; 250 employees (in effect since approx. 1979)  
British Columbia Hydro and Power Authority, Vancouver, Canada (12/1/86)  
Ceder Hill Landscaping, Somerset, New Jersey (approx. since 1972)  
Center for Science in the Public Interest, Washington, D.C. (since 1971)  
Chapel View Care Center, Hopkins, Minnesota (since approx. 1984)  
Charlotte Presbyterian Hospital; smoking not allowed by staff patient's or visitors, only exception: patients in private rooms with doctors consent (effective 11/17/88)  
CIGNA Health Plan of Arizona, Phoenix, Arizona, 1,800 employees (at least since 1985)  
The Cleveland Clinic Foundation, Cleveland, Ohio, (effective Jan. 1, 1989)  
Cognex Corp., Needham, MA (35 employees)  
The Commercial Appeal, Memphis, TN; 200 employees, (2/1/88)  
Dallas-Fort Worth International Airport, Air Traffic Controllers (Radar Room)  
Enron Corp. smoking banned in its downtown office (approx. 10/27/89)  
Federal Express  
General Health, Inc., Washington, D.C., 50 employees (since approx. 1972-beginning of business)  
Goodyear (runs and promotes smoking cessation clinics)  
Gold Bond Building Products, Charlotte, NC (encourages cessation; effective since 9/1/87)  
Billy Graham Associates, Minneapolis, Minnesota; 300 employees (since approx. 1957 beginning of company)  
Group Health Cooperative, Seattle, Washington; 6,000 employees (in effect since April, 1985)  
Grumman, Suffolk, NY (in effect since approx. 1986)  
Hamburger Hamlet, Washington, D.C. (first restaurant in D.C.)(since 1982)  
Harpoon Realty, Sag Harbor, New York (in effect since approx. 1980)  
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (since approx. 1982)  
Holden, Massachusetts, Police Department (since approx. 1985)  
Holiday Corporation  
Hospital Corporation of America (ban in all corporate headquarters)  
Indian Health Service, 47 hospitals and 300 clinics in 25 states  
Independent Press, New Providence, New Jersey  
Janesville, Wisconsin, Fire Department (since approx. 1985)  
Journal, Salina, Kansas; 110 employees (since approx. 1984)  
Kansas Gas & Electric Co., Wichita, Kansas, and elsewhere; 2,200 employees (effective 1/88)  
LA Airport (no smoking for all air traffic controllers)  
Lincoln National Corp., Fort Wayne, Indiana; 3,000 employees (since 4/85)  
Lyle Stuart, Inc., Seacucus, New Jersey; 40 employees (since approx. 1974)  
Microwave Filter Co.; East Syracuse, New York; 120 employees (fires anyone who gets caught since 9/85)  
Missouri Social Services Dept., Health Dept.; 7,600 employees (effective January 1988 in all offices)

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Entirely Smoke-Free Workplaces (cont.):

Moselle Insurance Inc., Los Angeles, California (in effect more than 3 years)  
MPD Printing Summit, New Jersey; 20 employees (in effect since beginning  
apprx. 1976)  
New England Memorial Hospital Stoneham, Massachusetts 1,400 employees  
(since approx. 1986)  
New Jersey Group Against Smoking Pollution, Summit, New Jersey  
Newport Daily News, Newport, Rhode Island; 60 employees (since approx. 1984)  
Non-Smokers Inn, Dallas, Texas; 1st hotel w/ nonsmoking rooms (since 1973)  
Northwestern Bell Telephone Co., Omaha, Nebraska; 12,000 employees in Iowa,  
Minnesota, Nebraska, North and South Dakota (effective 1/1/87)  
Nutrition World, Edina, Minnesota (since opening)  
Oracle Corp., Bethesda, Maryland; 30 employees  
Oregon Health Sciences University, Portland, OR  
The Other Cafe (Comedy Club), San Francisco, CA (2/1/88)  
Pacific Northwest Bell, Washington, Oregon, Idaho; 15,000 employees  
Palm Harbor Homes, Inc., Austin, TX (May 3, 1988)  
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,900 employees  
(since 1/1/86)  
Prince George's County, MD; County Administration Building, Largo  
Government Services Building, and all health department offices  
and treatment sites (2/14/88)  
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100  
employees (no smoking allowed anywhere on property since 1982)  
Quin-T Corp., Tilton, New Hampshire; 65 employees  
Radar Electric Co., Seattle and Spokane, Washington, and Portland, Oregon  
(since beginning 1962)  
The Respiratory Health Association, Paramus, New Jersey (since beginning  
in 1969)  
Rodale Press, Emmaus, Pennsylvania; 850 employees (since approx. 1982)  
Rogue Valley Medical Center, Medford, OR  
Rustoleum Corp., Vernon Hills and Evanston, Illinois, and Hagerstown,  
Maryland; 1985  
Salina Family Physicians, Salina, Kansas (since 1977)  
Salina Journal, Salina, KS (prohibits smoking by all 104 employees; 80% are  
smokers); (since approx. 1983)  
Satellite Syndicated Systems, Inc., Tulsa, Oklahoma, and elsewhere in U.S.A.  
200 employees (since approx. 1985)  
Slack, Inc., Thorofare, New Jersey; 180 employees (since approx. 1985)  
Smarte Carte, Inc., White Bear Lake, Minnesota; 50 employees (no smoking in  
building or on grounds); (since 1986)  
Spenco Medical Corp., Waco, Texas; 400 employees (since 1974)  
St. Cloud Hospital, St. Cloud, MN, (smoking cessation classes), 11/87  
Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees (since 1971)  
Surrogate Hostess, Seattle, Washington; 40 employees (no smoking  
by employees and customers); (since 1974)  
Swing Insurance Agency, Woodbury, New Jersey; 12 employees (at least 1986)  
The Ann Arbor News, Ann Arbor, MI (total ban of 200 employees); (since 9/86)  
Town Crier, Sudbury, Massachusetts; 40 employees (not official, just  
understood)  
Union Mutual Health Insurance Co., Portland, Maine; 3,700 employees  
United Guardian Corp., Long Island, NY (since approx. 1985)  
University of Minnesota, Division of Epidemiology, Minneapolis, Minnesota;  
500 employees (since 1986)  
U.S. Health Care, Blue Bell, Pennsylvania; 800 employees (at least since  
1985)

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### Entirely Smoke-Free Workplaces (cont.):

US West, Albuquerque, New Mexico (since 1989)  
US West Communications Inc., CO, MT, ID, WY, UT, NM, and AZ; (since 1989)  
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees  
Veterans Administration, Pennsylvania; San Diego, CA; both patient and  
employee smoking will be banned in all outpatient clinics and all  
acute-care sections (effective approx. mid 1989)  
Walter Reade Theaters, New York, NY (total ban)  
WRNJ, Hackettstown, New Jersey; 20 employees (since 1977)  
Yale-New Haven Hospital/Hospital of St. Raphael; 8,000 employees  
(since 1977)  
Zycad, Inc., Arden Hills, Minnesota; 230 employees (since 1985)  
Zytec Corp., Eden Prairie, Minnesota; 100 employees (since 1985)

### Employers Who Hire Only Nonsmokers:

Adrian Construction Co., Inc., Dallas, Texas (preference to nonsmokers)  
Alexandria, Virginia, Fire Department; 180 employees (recently extended to  
police and sheriffs)  
Anderson's China Shop; Minneapolis, Minnesota  
Arlington County, Virginia; fire-fighters and police  
Austad Co., Sioux Falls, South Dakota; 180 employees  
Bancroft Fire Protection District (will not hire smokers)  
Joan Eastman Bennett Property Designs, Summit, New Jersey  
Black Hills Hospital, Olympia, Washington  
Blue Cross and Blue Shield, Charleston, West Virginia; 760 employees  
(current employees who smoke 2 won't be required to quit)  
Cardinal Industries, Inc., Sanford, FL  
Center for Science in the Public Interest, Washington, D.C.  
Dean Equipment and Furniture Co., Inc., Fairfield, New Jersey  
Fairfax County, Virginia, firefighters and police  
Fortunoff, New York, New York  
Wayne Green Enterprises, Peterborough, New Hampshire  
Hinsdale Hospital, Hinsdale, Illinois; 2,200 employees (preference to  
nonsmokers)  
Holden, Massachusetts, Police Department  
Independent Press, New Providence, New Jersey  
Janesville, Wisconsin Fire Department  
Johns-Manville, Denver, Colorado, and Manville, New Jersey; 8,000 employees  
Manteca, California, Police Department and Fire Department  
Midwest City, Oklahoma, Fire Department  
MSI Insurance Co., Arden Hills, Minnesota; 800 employees  
New Brunswick Scientific Co., Inc., Edison, New Jersey; 400 employees  
New Jersey Group Against Smoking Pollution; Summit, New Jersey  
Non-Smokers Inn, Dallas, Texas  
Norman, Oklahoma, Fire Department  
Northern Life Insurance Co., Seattle, Washington; 200 employees  
Oklahoma City, Oklahoma, Fire Department  
Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees  
(preference to nonsmokers)  
Pro-Tec, Bellevue, Washington  
Quin-T Corp., Tilton, New Hampshire; 65 employees  
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon  
The Respiratory Health Association, Paramus, New Jersey  
Riviera Motors, Portland, Oregon; 650 employees  
Salem, Oregon Fire Department  
Shaker Heights, Ohio, Fire Department; 70 employees  
Spenco Medical Corp., Waco, Texas; 400 employees

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#### Employers Who Hire Only Nonsmokers (cont.):

Sullivan, Higdon & Sink, Wichita, Kansas; 50 employees  
Swing Insurance Agency, Woodbury, New Jersey; 12 employees  
Turner Broadcasting System  
USG Corporation, Chicago and all plants (total ban at work and at home, effective 1/12/87)  
Vanguard Electronic Tool Co., Seattle, Washington; 100 employees  
Westlake Community Hospital, Melrose Park, Illinois; 1,200 employees  
Westminster Office Machines Inc., Lake Bluff, Illinois  
Wichita, Kansas, Fire Department, 400 employees

#### Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit:

Aluminair Standard Glass Co., Gallup, New Mexico  
American Hoechst Specialty Products Group, Somerville, New Jersey  
Bonnie Bell Cosmetics Co., Lakewood, Ohio; 250 employees  
Chicago Metallic Products, Inc. 750 employees \$500 per quitter per year)  
City Federal Savings & Loan; Birmingham, Alabama; 300 employees  
Cleveland Pneumatic, Cleveland, Ohio  
Cybertek Computer Products, Inc., Los Angeles, California; 150 employees  
G.W. Dahl Co., Inc., Bristol, Rhode Island  
Deluxe Check Printers, Inc., Clifton, New Jersey; 300 employees  
Dollar Inn Albuquerque, New Mexico  
Dow Chemical Co., Texas Division, Freeport, Texas  
Dyco Petroleum, Minneapolis, Minnesota, and Tulsa, Oklahoma; 200 employees  
Ebsco Industries, Red Bank, New Jersey  
Flexcon Co., Spencer, Massachusetts; 500 employees (\$30/mth to quitters, \$15/mth to those who reduce consumption)  
General Services Life Insurance Co.; gives smokers nonsmokers's rates, if smokers promise they'll quit within 3 years (since 11/88)  
Hartford Insurance Group, Hartford, Connecticut  
Intermatic, Inc., Spring Grove, Illinois  
J.N. Mills Co. Inc., Southwest Harbor, ME, (\$500 to employees who quit for a year)  
Johnson & Johnson; New Brunswick, New Jersey  
Journal, Salina, Kansas; 110 employees  
Knight Publishing (Charlotte News, The Observer) (encourages employees to quit)  
Leslie Manufacturing & Supply Co., Minneapolis, Minnesota  
Lowenstein Supply Corp., Vineland, New Jersey; 25 employees  
Mahoning Culvert Co., Canfield, Ohio; 36 employees  
Major Pool Equipment Co., Clifton, New Jersey  
Martin Engineering, Neponset, IL (current employees receive \$1,000 for quitting; new hires must sign no-smoking pledge)  
Merle Norman Cosmetic Co., Los Angeles, California; 1,300 employees  
Mesa Petroleum, Amarillo, TX (cessation bonus)  
Microwave Filter Co., East Syracuse, New York; 120 employees  
MSI Insurance, Arden Hills, Minnesota; 800 employees  
Neon Electric Corp., Houston, Texas  
New York Telephone (smoking cessation classes, 80,000 employees)  
Noweco, Spokane, Washington

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**Employers Who Provide Bonuses for Nonsmokers or for Smokers Who Quit (cont.)**

Park Nicollet Medical Center, Minneapolis, Minnesota; 1,150 employees  
Perkin-Elmer Corporation, Physical Electronics Division, Eden Prairie,  
Minnesota; 400 employees  
Pioneer Plastics, Auburn, Maine  
Provident Indemnity Life Insurance Co., Norristown, Pennsylvania; 100  
employees  
Radar Electric, Seattle and Spokane, Washington, and Portland, Oregon  
Rhulen Agency, Monticello, New York  
Rodale Press, Emmaus, Pennsylvania; 350 employees  
Salina Family Physicians, Salina, Kansas (dental insurance for nonsmoking  
employees only)  
Sentry Insurance Co., Stevens Point, Wisconsin; 10,000 employees  
Slack, Inc., Thorofare, New Jersey; 180 employees  
Speedcall Corp., Hayward, California  
Tenneco (cessation program)  
Westminster Office Machines, Lake Bluff, Illinois

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Alabama (State Excise Tax Rate is 16.5 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 7,000 jobs in the state. An additional 23,400 jobs are generated by consumer expenditures on tobacco products. Thus 30,400 jobs in the state are tobacco-related.

Over 864,000 people smoke in the state. They already pay \$150.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$76.5 million.

Alabama collects almost \$23.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.05	7.9 mil packs	516
.075	11.9 mil packs	778
.10	15.9 mil packs	1039

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Alabama state cigarette taxes have increased 3.125%.

At current rates, 31.4% of the total price of a pack of cigarettes in Alabama is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361868

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Alaska (State Excise Tax Rate is 16 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 900 jobs in the state. An additional 1,800 jobs are generated by consumer expenditures on tobacco products. Thus 2,700 jobs in the state are tobacco-related.

Over 101,000 people smoke in the state. They already pay almost \$18 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$9 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.4 mil packs	19
.05	.9 mil packs	43
.10	1.8 mil packs	86

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Alaska state cigarette taxes have increased 100%.

At current rate, 25.5% of the total price of a pack of cigarettes in Alaska is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Arizona (State Excise Tax Rate is 15 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 5,200 jobs in the state. An additional 12,000 jobs are generated by consumer expenditures on tobacco products. Thus 17,200 jobs in the state are tobacco-related.

Over 659,000 people smoke in the state. They already pay \$109 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$52.8 million.

Arizona collects \$24.6 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	2.3 mil packs	113
.05	5.8 mil packs	284
.10	11.7 mil packs	574

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Arizona state cigarette taxes have increased 15.4%.

At current rates, 31.5% of the total price of a pack of cigarettes in Arizona is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Arkansas (State Excise Tax Rate is 21 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 3,700 jobs in the state. An additional 9,700 jobs are generated by consumer expenditures on tobacco products. Thus 13,400 jobs in the state are tobacco-related.

Over 509,000 people smoke in the state. They already pay \$108.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$61.8 million.

Arkansas collects \$14.7 million in sales tax revenues from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	2 mil packs	91
.05	4.9 mil packs	223
.10	9.8 mil packs	445

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Arkansas state cigarette taxes have increased 18.3%.

At current rates, 33.6% of the total price of a pack of cigarettes in Arkansas is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

California (State Excise Tax Rate is 35 cents per pack,  
effective 1/1/89)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 49,700 jobs in the state. An additional 85,200 jobs are generated by consumer expenditures on tobacco products. Thus 134,900 jobs in the state are tobacco-related.

Over 5,668,000 people smoke in the state. They already pay \$654 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$251 million.

California collects \$201.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.10	91.4 mil packs	4862
.15	137.2 mil packs	7295
.25	228.6 mil packs	12159

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal excise tax was doubled in January, 1983, California cigarette taxes have increased 250%.\*

Since 1983, sales in California have declined by an average of 1.5% annually.

At current rates, 39.2% of the total price of a pack of cigarettes in California is tax.\*

\*figure reflects a 25 cent increase which took effect 1/1/89.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Colorado (State Excise Tax Rate is 20 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 6,900 jobs in the state. An additional 15,300 jobs are generated by consumer expenditures on tobacco products. Thus 22,200 jobs in the state are tobacco-related.

Over 697,000 people smoke in the state. They already pay \$113.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$63.3 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.05	5.5 mil packs	387
.10	10.9 mil packs	768
.20	21.8 mil packs	1535

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Colorado state cigarette taxes have increased 100%.

Since 1983, sales in Colorado have declined by an average of 3.4% annually.

At current rates, 31% of the total price of a pack of cigarettes in Colorado is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Connecticut (State Excise Tax Rate is 40 cents per pack,  
effective 4/1/89) \*

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 13,300 jobs in the state. An additional 16,800 jobs are generated by consumer expenditures on tobacco products. Thus 30,100 jobs in the state are tobacco-related.

Over 722,000 people smoke in the state. They already pay \$142.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$88.3 million.

Connecticut collects \$37.4 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	2.1 mil packs	186
.05	5.2 mil packs	460
.10	10.5 mil packs	929

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Connecticut state cigarette taxes have increased 90.4%.\*

Since 1983, sales in Connecticut have declined by an average of 1.1% annually.

At current rates, 43.3% of the total price of a pack of cigarettes in Connecticut is tax.\*

\*figure reflects a 14 cent increase which took effect 4/1/89.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361874

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Delaware (State Excise Tax Rate is 14 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,300 jobs in the state. An additional 4,700 jobs are generated by consumer expenditures on tobacco products. Thus 6,000 jobs in the state are tobacco-related.

Over 137,000 people smoke in the state. They already pay \$26.4 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$12.5 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.6 mil packs	41
.05	1.5 mil packs	102
.10	3 mil packs	204

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 25.1% of the total price of a pack of cigarettes in Delaware is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Washington, D.C. (Excise Tax Rate is 17 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,900 jobs in the district. An additional 2,200 jobs are generated by consumer expenditures on tobacco products. Thus 4,100 jobs in the district are tobacco-related.

Over 146,000 people smoke in the district. They already pay \$21.7 million in extra local and federal taxes because they smoke. Of this amount, the district gets almost \$11 million.

Washington, D.C. collects \$5.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.4 mil packs	25
.05	1.1 mil packs	63
.10	2.2 mil packs	138

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Washington, D.C. cigarette taxes have increased 30.7%.

Since 1983, sales in Washington, D.C. have declined by an average of 3.3% annually.

At current rates, 32.3% of the total price of a pack of cigarettes in Washington, D.C. is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Florida (State Excise Tax Rate is 24 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 25,500 jobs in the state. An additional 67,100 jobs are generated by consumer expenditures on tobacco products. Thus 92,600 jobs in the state are tobacco-related.

Over 2,540,000 people smoke in the state. They already pay \$581 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$350.2 million.

Florida collects \$116.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	4.6 mil packs	291
.02	9.2 mil packs	582
.05	23 mil packs	1456

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Florida state cigarette taxes have increased 14.28%.

At current rates, 34.7% of the total price of a pack of cigarettes in Florida is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Georgia (State Excise Tax Rate is 12 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 22,900 jobs in the state. An additional 35,700 jobs are generated by consumer expenditures on tobacco products. Thus 58,600 jobs in the state are tobacco-related.

Over 1,262,000 people smoke in the state. They already pay \$218.8 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$92 million.

Georgia collects \$31.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	5.6 mil packs	421
.05	14.1 mil packs	1060
.10	28.2 mil packs	2120

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 28.3% of the total price of a pack of cigarettes in Georgia is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Hawaii (State Excise Tax Rate is 40%)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,100 jobs in the state. An additional 2,200 jobs are generated by consumer expenditures on tobacco products. Thus 4,300 jobs in the state are tobacco-related.

Over 226,000 people smoke in the state. They already pay \$30.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$19 million.

Hawaii collects \$3.6 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.4 mil packs	29
.05	.9 mil packs	64
.10	1.8 mil packs	128

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Hawaii state cigarette taxes have increased 57%.

Since 1983, sales in Hawaii have declined by an average of 4.8% annually.

At current rates, 40.8% of the total price of a pack of cigarettes in Hawaii is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Idaho (State Excise Tax Rate is 18 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,700 jobs in the state. An additional 4,600 jobs are generated by consumer expenditures on tobacco products. Thus 6,300 jobs in the state are tobacco-related.

Over 204,000 people smoke in the state. They already pay \$29.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$15.8 million.

Idaho collects \$6.1 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.6 mil packs	43
.05	1.5 mil packs	108
.10	3.1 mil packs	223

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Idaho state cigarette taxes have increased 97.8%.

Since 1983, sales in Idaho have declined at an average of 3.7% annually.

At current rates, 31.8% of the total price of a pack of cigarettes in Idaho is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Illinois (State Excise Tax Rate is 20 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 30,500 jobs in the state. An additional 75,800 jobs are generated by consumer expenditures on tobacco products. Thus 106,300 jobs in the state are tobacco-related.

Over 2,526,000 people smoke in the state. They already pay \$451.5 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$250.8 million.

Illinois collects \$100.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	8.1 mil packs	686
.05	20.4 mil packs	1729
.10	40.7 mil packs	3449

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Illinois state cigarette taxes have increased 66.7%.

Since 1983, sales in Illinois have declined by an average of 2.9% annually.

At current rates, 33.3% of the total price of a pack of cigarettes in Illinois is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361881

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Indiana (State Excise Tax Rate is 15.5 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 11,000 jobs in the state. An additional 33,200 jobs are generated by consumer expenditures on tobacco products. Thus 44,200 jobs in the state are tobacco-related.

Over 1,196,000 people smoke in the state. They already pay \$235 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$116 million.

Indiana collects \$44.8 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	5.7 mil packs	331
.05	14.2 mil packs	826
.10	28.4 mil packs	1651

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 32.5% of the total price of a pack of cigarettes in Indiana is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361882

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Iowa (State Excise Tax Rate is 34 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 5,900 jobs in the state. An additional 15,700 jobs are generated by consumer expenditures on tobacco products. Thus 21,600 jobs in the state are tobacco-related.

Over 638,000 people smoke in the state. They already pay \$127.5 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$81.6 million.

Iowa collects \$17.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	2 mil packs	138
.05	5 mil packs	345
.10	10.1 mil packs	697

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Iowa state cigarette taxes have increased 88.9%.

At current rates, 43% of the total price of a pack of cigarettes in Iowa is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361883

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Kansas (State Excise Tax Rate is 24 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 4,900 jobs in the state. An additional 14,100 jobs are generated by consumer expenditures on tobacco products. Thus 19,000 jobs in the state are tobacco-related.

Over 536,000 people smoke in the state. They already pay \$103 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$61.8 million.

Kansas collects \$12.9 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	1.7 mil packs	125
.05	4.2 mil packs	309
.10	8.5 mil packs	625

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Kansas state cigarette taxes have increased 118%.

Since 1983, sales in Kansas have declined by an average of 3.2% annually.

At current rates, 34.9% of the total price of a pack of cigarettes in Kansas is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361884

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Kentucky (State Excise Tax Rate is 3 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 59,400 jobs in the state. An additional 74,100 jobs are generated by consumer expenditures on tobacco products. Thus 133,500 jobs in the state are tobacco-related.

Over 808,000 people smoke in the state. They already pay \$124 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$19.6 million.

Kentucky collects \$32.7 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	5.4 mil packs	1102
.05	13.4 mil packs	2735
.10	26.8 mil packs	5469

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Kentucky have declined by an average of 2.3% annually.

At current rates, 24% of the total price of a pack of cigarettes in Kentucky is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361885

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Louisiana (State Excise Tax Rate is 16 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 8,600 jobs in the state. An additional 15,100 jobs are generated by consumer expenditures on tobacco products. Thus 23,700 jobs in the state are tobacco-related.

Over 932,000 people smoke in the state. They already pay \$160 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$79.8 million.

Louisiana collects \$25.1 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	3.2 mil packs	154
.05	7.9 mil packs	380
.10	15.8 mil packs	760

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Louisiana state cigarette taxes have increased 45%.

Since 1984, sales in Louisiana have declined by an average of 3.6% annually.

At current rates, 29.5% of the total price of a pack of cigarettes in Louisiana is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361886

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Maine (State Excise Tax Rate is 28 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,200 jobs in the state. An additional 5,100 jobs are generated by consumer expenditures on tobacco products. Thus 7,300 jobs in the state are tobacco-related.

Over 255,000 people smoke in the state. They already pay \$65.4 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$41.6 million.

Maine collects \$10.4 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.9 mil packs	44
.05	2.3 mil packs	113
.10	4.6 mil packs	225

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Maine state cigarette taxes have increased 75%.

Since 1984, sales in Maine have declined by an average of 1.2% annually.

At current rates, 37.5% of the total price of a pack of cigarettes in Maine is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361887

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Maryland (State Excise Tax Rate is 13 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 13,500 jobs in the state. An additional 19,000 jobs are generated by consumer expenditures on tobacco products. Thus 32,500 jobs in the state are tobacco-related.

Over 979,000 people smoke in the state. They already pay \$152.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$68.2 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	4 mil packs	242
.05	10 mil packs	606
.10	20 mil packs	1212

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 26.6% of the total price of a pack of cigarettes in Maryland is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361888

April 1989



EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Massachusetts (State Excise Tax Rate is 26 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 14,100 jobs in the state. An additional 31,400 jobs are generated by consumer expenditures on tobacco products. Thus 45,500 jobs in the state are tobacco-related.

Over 1,330,000 people smoke in the state. They already pay \$276 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$170.9 million.

Massachusetts collects \$46 million in sales tax revenues from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.04	8.3 mil packs	576
.07	14.4 mil packs	1000
.10	20.6 mil packs	1431

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Massachusetts state cigarette taxes have increased 23.8%.

Since 1983, sales in Massachusetts have declined by an average of 1% annually.

At current rates, 35.4% of the total price of a pack of cigarettes in Massachusetts is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361889

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Michigan (State Excise Tax Rate is 25 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 15,600 jobs in the state. An additional 54,900 jobs are generated by consumer expenditures on tobacco products. Thus 70,500 jobs in the state are tobacco-related.

Over 1,977,000 people smoke in the state. They already pay \$415.1 million in extra state and federal taxes because they smoke. Of this amount, the state government gets \$252.5 million.

Michigan collects \$56.1 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	3.8 mil packs	239
.05	19.1 mil packs	1201
.06	22.9 mil packs	1440

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1982, sales in Michigan have declined by an average of 1.9% annually.

Since the Federal Excise Tax was doubled in 1983, Michigan cigarette taxes have increased 19%.

At current rates, 36.2% of the total price of a pack of cigarettes in Michigan is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361890

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Minnesota (State Excise Tax Rate is 38 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 9,400 jobs in the state. An additional 22,800 jobs are generated by consumer expenditures on tobacco products. Thus 32,200 jobs in the state are tobacco-related.

Over 911,000 people smoke in the state. They already pay \$218.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$153.6 million.

Minnesota collects \$36.4 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.04	5 mil packs	403
.05	6.3 mil packs	508
.15	18.9 mil packs	1524

\* Increases arbitrarily selected for purposes of examples

PREVIOUS TRENDS

Since 1983, sales in Minnesota have declined by an average of 3% annually.

Since the federal cigarette tax was doubled in January 1983, Minnesota state cigarette taxes have increased 111%.

At current rates, 41.8% of the total price of a pack of cigarettes in Minnesota is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361891

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Mississippi (State Excise Tax Rate is 18 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 3,900 jobs in the state. An additional 14,400 jobs are generated by consumer expenditures on tobacco products. Thus 18,300 jobs in the state are tobacco-related.

Over 540,000 people smoke in the state. They already pay \$99.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$52.5 million.

Mississippi collects \$23.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	1.9 mil packs	117
.05	4.8 mil packs	296
.10	9.7 mil packs	599

\* Increases arbitrarily selected for purposes of examples

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Mississippi state cigarette taxes have increased 63.6%.

At current rates, 32.2% of the total price of a pack of cigarettes in Mississippi is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361892

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Missouri (State Excise Tax Rate is 13 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 10,600 jobs in the state. An additional 25,300 jobs are generated by consumer expenditures on tobacco products. Thus 35,900 jobs in the state are tobacco-related.

Over 1,108,000 people smoke in the state. They already pay \$191.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$85.7 million.

Missouri collects \$33 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	4.6 mil packs	250
.05	11.4 mil packs	620
.10	22.8 mil packs	1240

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 28.4% of the total price of a pack of cigarettes in Missouri is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361893

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Montana (State Excise Tax Rate is 16 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,600 jobs in the state. An additional 3,300 jobs are generated by consumer expenditures on tobacco products. Thus 4,900 jobs in the state are tobacco-related.

Over 2,648,000 people smoke in the state. They already pay \$23.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$11.6 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.5 mil packs	34
.05	1.3 mil packs	88
.10	2.6 mil packs	176

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Montana have declined by an average of 4% annually.

Since the federal cigarette tax was doubled in January 1983, Montana state cigarette taxes have increased 33.3%.

At current rates, 27.8% of the total price of a pack of cigarettes in Montana is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361894

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Nebraska (State Excise Tax Rate is 27 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 3,600 jobs in the state. An additional 5,300 jobs are generated by consumer expenditures on tobacco products. Thus 8,900 jobs in the state are tobacco-related.

Over 349,000 people smoke in the state. They already pay \$64.6 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$40.5 million.

Nebraska collects \$9 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	1 mil packs	59
.03	1.5 mil packs	89
.05	2.5 mil packs	148

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1982, sales in Nebraska have declined by an average of 3.1% annually.

Since the federal cigarette tax was doubled in January 1983, Nebraska state cigarette taxes have increased 50%.

At current rates, 37.9% of the total price of a pack of cigarettes in Nebraska is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361895

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Nevada (State Excise Tax Rate is 20 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,000 jobs in the state. An additional 2,300 jobs are generated by consumer expenditures on tobacco products. Thus 4,300 jobs in the state are tobacco-related.

Over 203,000 people smoke in the state. They already pay \$52.5 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$28 million.

Nevada collects \$11.7 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	1.0 mil packs	29
.05	2.4 mil packs	71
.10	4.8 mil packs	142

\* Increases selected arbitrarily for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Nevada state cigarette taxes have increased 100%.

At current rates, 32% of the total price of a pack of cigarettes in Nevada is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361896



EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

New Hampshire (State Excise Tax Rate is 17 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,000 jobs in the state. An additional 6,600 jobs are generated by consumer expenditures on tobacco products. Thus 8,600 jobs in the state are tobacco-related.

Over 217,000 people smoke in the state. They already pay \$62.4 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$32 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	.7 mil packs	32
.02	1.4 mil packs	64
.05	3.5 mil packs	159

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in New Hampshire have declined by an average of 2.9% annually.

Since the federal cigarette tax was doubled in January 1983, New Hampshire state cigarette taxes have increased 41.6%.

At current rates, 29.1% of the total price of a pack of cigarettes in New Hampshire is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361897

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

New Jersey (State Excise Tax Rate is 27 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 18,400 jobs in the state. An additional 60,500 jobs are generated by consumer expenditures on tobacco products. Thus 78,900 jobs in the state are tobacco-related.

Over 1,699,000 people smoke in the state. They already pay \$358.2 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$225.4 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	2.7 mil packs	255
.05	13.3 mil packs	1243
.10	26.5 mil packs	2477

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1982, sales in New Jersey have declined by an average of 1.7% annually.

Since the federal cigarette tax was doubled in January 1983, New Jersey state cigarette taxes have increased 12.5%.

At current rates, 32.6% of the total price of a pack of cigarettes in New Jersey is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

New Mexico (State Excise Tax Rate is 15 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,300 jobs in the state. An additional 3,500 jobs are generated by consumer expenditures on tobacco products. Thus 5,800 jobs in the state are tobacco-related.

Over 296,000 people smoke in the state. They already pay \$36.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$17.8 million.

New Mexico collects \$7.1 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.03	1.2 mil packs	59
.05	2.0 mil packs	98
.10	4.0 mil packs	196

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, New Mexico state cigarette taxes have increased 25%.

At current rates, 30.9% of the total price of a pack of cigarettes in New Mexico is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361899

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

New York (State Excise Tax Rate is 33 cents per pack,  
effective 5/1/89.)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 49,000 jobs in the state. An additional 195,300 jobs are generated by consumer expenditures on tobacco products. Thus 244,300 jobs in the state are tobacco-related.

Over 4,004,000 people smoke in the state. They already pay \$706 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$400 million.

New York collects \$95.4 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	12.3 mil packs	1577
.05	30.8 mil packs	3949
.10	61.6 mil packs	7897

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in New York have declined by an average of 2.7% annually.

Since the federal cigarette tax was doubled in January 1983, New York state cigarette taxes have increased 120%.\*

At current rates, 37.8% of the total price of a pack of cigarettes in New York is tax.\*

\*reflects 12 cent increase effective 5/1/89

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361900

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

North Carolina (State Excise Tax Rate is 2 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 90,000 jobs in the state. An additional 167,100 jobs are generated by consumer expenditures on tobacco products. Thus 257,100 jobs in the state are tobacco-related.

Over 1,370,000 people smoke in the state. They already pay \$170.8 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$19 million.

North Carolina collects \$28.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	7.8 mil packs	2108
.05	19.4 mil packs	5243
.10	38.9 mil packs	10514

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in North Carolina have declined by an average of 1.4% annually.

At current rates, 21.2% of the total price of a pack of cigarettes in North Carolina is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

North Dakota (State Excise Tax Rate is 27 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,500 jobs in the state. An additional 1,500 jobs are generated by consumer expenditures on tobacco products. Thus 3,000 jobs in the state are tobacco-related.

Over 146,000 people smoke in the state. They already pay \$26.1 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$17 million.

North Dakota collects \$4.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.4 mil packs	20
.05	1 mil packs	49
.10	2 mil packs	99

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in North Dakota have declined by an average of 4.8% annually.

Since the federal cigarette tax was doubled in January 1983, North Dakota state cigarette taxes have increased 125%.

At current rates, 38.4% of the total price of a pack of cigarettes in North Dakota is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Ohio (State Excise Tax Rate is 18 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 21,800 jobs in the state. An additional 76,800 jobs are generated by consumer expenditures on tobacco products. Thus 98,600 jobs in the state are tobacco-related.

Over 2,362,000 people smoke in the state. They already pay \$450 million in extra state and federal taxes because they smoke. Of this amount, the state government gets about \$237 million.

Ohio collects \$79.6 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	9.7 mil packs	804
.04	24.3 mil packs	1813
.10	48.7 mil packs	3627

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Ohio have declined by an average of 1.1% annually.

Since the federal cigarette tax was doubled in January 1983, Ohio state cigarette taxes have increased 28.6%.

At the current rates, 35% of the total price of a pack of cigarettes in Ohio is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Oklahoma (State Excise Tax Rate is 23 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 6,200 jobs in the state. An additional 11,300 jobs are generated by consumer expenditures on tobacco products. Thus 17,500 jobs in the state are tobacco-related.

Over 713,000 people smoke in the state. They already pay \$135 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$79.7 million.

Oklahoma collects \$17.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.04	4.6 mil packs	232
.05	5.7 mil packs	288
.10	11.4 mil packs	576

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Oklahoma have declined by an average of 4.4% annually.

Since the federal cigarette tax was doubled in January 1983, Oklahoma state cigarette taxes have increases 27.8%.

At the current rates, 34.5% of the total price of a pack of cigarettes in Oklahoma is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Oregon (State Excise Tax Rate is 27 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 5,000 jobs in the state. An additional 16,900 jobs are generated by consumer expenditures on tobacco products. Thus 21,900 jobs in the state are tobacco-related.

Over 590,000 people smoke in the state. They already pay \$127.4 million in extra state and federal taxes because they smoke. Of this amount, the state government gets about \$80 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	1 mil packs	74
.02	1.9 mil packs	141
.05	4.8 mil packs	356

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Oregon have declined by an average of 2% annually.

Since the federal cigarette tax was doubled in January 1983, Oregon state cigarette taxes have increased 42%.

At current rates, 32.9% of the total price of a pack of cigarettes in Oregon is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1987.  
Monthly State Cigarette Tax Report; Tobacco Institute, June, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Pennsylvania (State Excise Tax Rate is 18 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 28,100 jobs in the state. An additional 60,900 jobs are generated by consumer expenditures on tobacco products. Thus 89,000 jobs in the state are tobacco-related.

Over 2,697,000 people smoke in the state. They already pay \$448.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$238 million.

Pennsylvania collects \$90.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.005	2.3 mil packs	155
.02	9 mil packs	608
.05	22.6 mil packs	1527

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Pennsylvania have declined by an average of 2.2% annually.

At current rates, 34.4% of the price of a pack of cigarettes in Pennsylvania is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Rhode Island (State Excise Tax Rate is 27 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,900 jobs in the state. An additional 5,300 jobs are generated by consumer expenditures on tobacco products. Thus 7,200 jobs in the state are tobacco-related.

Over 221,000 people smoke in the state. They already pay \$55.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$34 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.9 mil packs	48
.05	2.3 mil packs	122
.10	4.5 mil packs	238

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal excise tax was doubled in January 1983, Rhode Island state cigarette taxes have increased 8%.

At current rates, 35.4% of the total price of a pack of cigarettes in Rhode Island is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

South Carolina (State Excise Tax Rate is 7 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 11,600 jobs in the state. An additional 19,300 jobs are generated by consumer expenditures on tobacco products. Thus 30,900 jobs in the state are tobacco-related.

Over 713,000 people smoke in the state. They already pay \$98.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$30.1 million.

South Carolina collects \$25.8 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	1.7 mil packs	122
.02	3.4 mil packs	245
.05	16.8 mil packs	1209

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 27.4% of the total price of a pack of cigarettes in South Carolina is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

South Dakota (State Excise Tax Rate is 23 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,300 jobs in the state. An additional 1,600 jobs are generated by consumer expenditures on tobacco products. Thus 2,900 jobs in the state are tobacco-related.

Over 150,000 people smoke in the state. They already pay \$25.9 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$15.3 million.

South Dakota collects \$3.3 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.4 mil packs	17
.05	1.1 mil packs	48
.10	2.2 mil packs	96

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1981, sales in South Dakota have declined by an average of 2.4% annually.

Since the federal cigarette tax was doubled in January 1983, South Dakota state cigarette taxes have increased 53.3%.

At current rates, 33.9% of the total price of a pack of cigarettes in South Dakota is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Tennessee (State Excise Tax Rate is 13 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 18,400 jobs in the state. An additional 32,300 jobs are generated by consumer expenditures on tobacco products. Thus 50,700 jobs in the state are tobacco-related.

Over 1,041,000 people smoke in the state. They already pay \$180 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$80 million.

Tennessee collects \$55.2 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	4.5 mil packs	363
.05	11.3 mil packs	911
.10	22.7 mil packs	1831

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 31.4% of the total price of a pack of cigarettes in Tennessee is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Texas (State Excise Tax Rate is 26 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 33,200 jobs in the state. An additional 71,600 jobs are generated by consumer expenditures on tobacco products. Thus 104,800 jobs in the state are tobacco-related.

Over 3,382,000 people smoke in the state. They already pay \$684.6 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$399 million.

Texas collects \$130.4 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	11.0 mil packs	692
.05	27.4 mil packs	1723
.10	54.8 mil packs	3447

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Texas have declined by an average of 2.8% annually.

Since the federal cigarette tax was doubled in January 1983, Texas state cigarette taxes have increased 40.5%.

At current rates, 36.8% of the total price of a pack of cigarettes in Texas is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Utah State Excise Tax Rate is 23 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 2,700 jobs in the state. An additional 6,900 jobs are generated by consumer expenditures on tobacco products. Thus 8,600 jobs in the state are tobacco-related.

Over 308,000 people smoke in the state. They already pay \$36.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$21.7 million.

Utah collects \$6.6 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.7 mil packs	60
.05	1.7 mil packs	145
.10	3.5 mil packs	299

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1982, sales in Utah have declined by an average of 2% annually.

Since the federal cigarette tax was doubled in January 1983, Utah state cigarette taxes have increased 91.6%.

At current rates, 35.4% of the total price of a pack of cigarettes in Utah is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Vermont (State Excise Tax Rate is 17 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 900 jobs in the state. An additional 2,500 jobs are generated by consumer expenditures on tobacco products. Thus 3,400 jobs in the state are tobacco-related.

Over 117,000 people smoke in the state. They already pay \$23.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$12 million.

Vermont collects over \$3.5 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	.5 mil packs	24
.05	1.3 mil packs	62
.10	2.6 mil packs	123

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Vermont have declined by an average of 1.9% annually.

Since the federal cigarette tax was doubled in January 1983, Vermont state cigarette taxes have increased 41.6%.

At current rates, 29.5% of the total price of a pack of cigarettes in Vermont is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Virginia (State Excise Tax Rate is 2.5 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 54,400 jobs in the state. An additional 91,900 jobs are generated by consumer expenditures on tobacco products. Thus 146,300 jobs in the state are tobacco-related.

Over 1,262,000 people smoke in the state. They already pay \$142.6 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$19.3 million.

Virginia collects \$38.5 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	6.1 mil packs	1151
.05	15.2 mil packs	2868
.10	30.3 mil packs	5717

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

At current rates, 21.9% of the total price of a pack of cigarettes in Virginia is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Washington (State Excise Tax Rate is 31 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 7,900 jobs in the state. An additional 24,700 jobs are generated by consumer expenditures on tobacco products. Thus 32,600 jobs in the state are tobacco-related.

Over 957,000 people smoke in the state. They already pay \$188.6 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$124.4 million.

Washington collects over \$40 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	2.3 mil packs	187
.05	5.7 mil packs	463
.10	11.4 mil packs	927

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in Washington have declined by an average of 1.5% annually.

Since the federal cigarette tax was doubled in January 1983, Washington state cigarette taxes have increased 34.8%.

At current rates, 37.6% of the total price of a pack of cigarettes in Washington is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

West Virginia (State Excise Tax Rate is 17 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 3,600 jobs in the state. An additional 7,400 jobs are generated by consumer expenditures on tobacco products. Thus 11,000 jobs in the state are tobacco-related.

Over 426,000 people smoke in the state. They already pay \$69.7 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$35.9 million.

West Virginia collects \$16.9 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.02	1.4 mil packs	73
.05	3.5 mil packs	182
.10	7 mil packs	365

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since 1983, sales in West Virginia have declined by an average of 1.2% annually.

At current rates, 31.5% of the total price of a pack of cigarettes in West Virginia is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.  
Monthly State Cigarette Tax Report; Tobacco Institute, June, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Wisconsin (State Excise Tax Rate is 30 cents per pack)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 9,800 jobs in the state. An additional 31,200 jobs are generated by consumer expenditures on tobacco products. Thus 41,000 jobs in the state are tobacco-related.

Over 1,046,000 people smoke in the state. They already pay \$228.3 million in extra state and federal taxes because they smoke. Of this amount, the state government gets almost \$147.7 million.

Wisconsin collects \$34.7 million in sales tax revenue from cigarettes.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.01	1.6 mil packs	131
.02	3.2 mil packs	262
.05	8.1 mil packs	664

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in January 1983, Wisconsin state cigarette taxes have increased 20%.

At current rates, 39.1% of the total price of a pack of cigarettes in Wisconsin is tax.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF SELECT  
INCREASES IN THE STATE EXCISE TAX ON CIGARETTES

Wyoming (State Excise Tax Rate is 12 cents per pack,  
effective 7/1/89)

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

The tobacco industry, through core and supplier sectors, directly creates 1,000 jobs in the state. An additional 1,900 jobs are generated by consumer expenditures on tobacco products. Thus 2,900 jobs in the state are tobacco-related.

Over 105,000 people smoke in the state. They already pay \$13.4 million in extra state and federal taxes because they smoke. Of this amount, the state government gets over \$4.5 million.

THE IMPACT OF THE PROPOSED INCREASES\*

<u>If SET</u> <u>increases by:</u>	<u>Sales</u> <u>decline by:</u>	<u>No. of</u> <u>jobs lost is:</u>
.05	1 mil packs	52
.10	2 mil packs	104
.12	2.4 mil packs	125

\* Increases arbitrarily selected for purposes of examples only

PREVIOUS TRENDS

Since the federal cigarette tax was doubled in 1983, Wyoming state cigarette taxes have increased 50%.\*

Since 1983, sales in Wyoming have declined by an average of 4.2% annually.

At the current rates, 24% of the total price of a pack of cigarettes in Wyoming is tax.\*

\*figure reflects a 4 cent increase that takes effect 7/1/89.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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APPENDIX C

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Alabama

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALABAMA

- 7,000 jobs through core and supplier sectors \*
- 23,400 jobs through consumer expenditures on tobacco products
- 30,400 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16.5 cents per pack
- 864,000 smokers pay \$150.7 million extra state and federal taxes
  - The federal government gets \$74.2 million of this amount
  - The state government gets \$76.5 million
- Alabama collects \$23.2 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Alabama state cigarette taxes have increased 3.125%
- At current rates, 31.4% of the total price of a pack of cigarettes in Alabama is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,219 jobs could be lost in the state
  - 280 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 939 jobs could be lost due to expenditure-induced impact
- State would lose over \$3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,433 jobs could be lost in the state
  - 559 jobs would be lost in the core and supplier sector
  - The man-hour equivalent of another 1874 jobs could be lost due to the expenditure-induced impact
- State would lose over \$6.1 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Alaska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ALASKA

- 900 jobs through core and supplier sectors
- 1,800 jobs through consumer expenditures on tobacco products
- 2,700 total tobacco related jobs

TAXES

- State Excise Tax Rate is 16 cents per pack
- 101,000 smokers pay \$18 million extra state and federal taxes
  - The federal government gets \$9 million of this amount
  - The state government also gets \$9 million
- Since the federal cigarette tax was doubled in January 1983, Alaska state cigarette taxes have increased 100%.
- At current rate, 25.5% of the total price of a pack of cigarettes in Alaska is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 108 jobs could be lost in the state
  - 36 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 72 jobs could be lost due to expenditure-induced impact
- State would lose over \$360,900 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 216 jobs could be lost in the state
  - 72 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 144 jobs could be lost due to expenditure-induced impact
- State would lose over \$721,900 in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Arizona

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ARIZONA

- 5,200 jobs through core and supplier sectors
- 12,000 jobs through consumer expenditures
- 17,200 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15 cents per pack
- 659,000 smokers pay \$109 million extra state and federal taxes
  - The federal government gets \$56.2 million of this amount
  - The state government gets \$52.8 million
- Arizona collects \$24.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Arizona state cigarette taxes have increased 15.4%
- At current rates, 31.5% of the total price of a pack of cigarettes in Arizona is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 688 jobs could be lost in the state
  - 208 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 480 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,376 jobs could be lost in the state
  - 416 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 960 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.3 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Arkansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ARKANSAS

- 3,700 jobs through core and supplier sectors
- 9,700 jobs through consumer expenditures on tobacco products
- 13,400 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 21 cents per pack
- 509,000 smokers pay \$108.9 million extra state and federal taxes
  - The federal government gets \$47.1 million of this amount
  - The state government gets \$61.8 million
- Arkansas collects \$14.7 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Arkansas state cigarette taxes have increased 18.3%.
- At current rates, 33.6% of the total price of a pack of cigarettes in Arkansas is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 535 jobs could be lost in the state
  - 148 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 387 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,071 jobs could be lost in the state
  - 296 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 775 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.9 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

California

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CALIFORNIA

- 49,700 jobs through core and supplier sectors
- 85,200 jobs through consumer expenditures on tobacco products
- 134,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 35 cents per pack, effective 1/1/89
- 5,668,000 smokers pay \$654 extra state and federal taxes
  - The federal government gets \$403 million of this amount
  - The state government gets \$251 million
- California collects \$201.3 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, California state cigarette taxes have increased 250%.\*
- At current rates, 39.2% of the total price of a pack of cigarettes in California is tax.\*

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,031 jobs could be lost in the state
  - 1,988 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,043 jobs could be lost due to expenditure-induced impact
- State would lose over \$35.4 million in excise tax revenue\*

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 10,781 jobs could be lost in the state
  - 3,976 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,805 jobs could be lost due to expenditure-induced impact
- State would lose over \$70.9 million in excise tax revenue\*

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

\*reflects 25 cent state excise tax increase effective 1/1/89

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Colorado

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN COLORADO

- 6,900 jobs through core and supplier sectors
- 15,300 jobs through consumer expenditures on tobacco products
- 22,200 jobs total tobacco-related jobs

TAXES

- State Excise Tax Rate is 20 cents per pack
- 697,000 smokers pay \$113.9 million extra state and federal taxes
  - The federal government gets \$50.6 million of this amount
  - The state government gets \$63.3 million
- At current rates, 31% of the total price of a pack of cigarettes in Colorado is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 889 jobs could be lost in the state
  - 276 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 613 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,777 jobs could be lost in the state
  - 552 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,225 jobs could be lost due to expenditure-induced impact
- State would lose over \$5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Connecticut

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN CONNECTICUT

- 13,300 jobs through core and supplier sectors
- 16,800 jobs through consumer expenditures on tobacco products
- 30,100 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40 cents per pack, effective 4/1/89
- 722,000 smokers pay \$142.7 million extra state and federal taxes
  - The federal government gets \$54.4 million of this amount
  - The state government gets \$88.3 million
- Connecticut collects \$37.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Connecticut state cigarette taxes have increased 90.4%.\*
- At current rates, 43.3% of the total price of a pack of cigarettes in Connecticut is tax.\*

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,206 jobs could be lost in the state
  - 533 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 673 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,412 jobs could be lost in the state
  - 1,066 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,346 jobs could be lost due to expenditure-induced impact
- State would lose over \$7 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

\*reflects 14 cent increase effective 4/1/89

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Delaware

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN DELAWARE

- 1,300 jobs through core and supplier sectors
- 4,700 jobs through consumer expenditures on tobacco products
- 6,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 14 cents per pack
- 137,000 smokers pay \$26.6 million extra state and federal taxes
  - The federal government gets \$14.1 million of this amount
  - The state government gets almost \$12.5 million
- At current rates, 25.1% of the total price of a pack of cigarettes in Delaware is tax

THE IMPACT OF AN INCREASE OF THE FEDERAL EXCISE TAX

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 240 jobs could be lost in the state
  - 52 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 188 jobs could be lost through expenditure-induced impact
- State would lose over \$493,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents)

- Total of 481 jobs could be lost in the state
  - 104 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 377 jobs could be lost due to expenditure-induced impact
- State would lose over \$986,000 in excise tax revenue

Note: Uses assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Washington, D.C.

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WASHINGTON, D.C.

- 1,900 jobs through core and supplier sectors
- 2,200 jobs through consumer expenditures on tobacco products
- 4,100 total tobacco-related jobs

TAXES

- Excise Tax Rate in D.C. is 17 cents per pack
- 146,000 smokers pay \$21.7 million extra local and federal taxes
  - The federal government gets over \$10 million of this amount
  - The district government gets almost \$11 million
- Washington, D.C. collects \$5.3 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Washington, D.C. cigarette taxes have increased 30.7%
- At current rates, 32.3% of the total price of a pack of cigarettes in Washington, D.C. is tax

THE IMPACT OF AN INCREASE IN THE FEDERAL EXCISE TAX:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 164 jobs could be lost in D.C.
  - 76 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 88 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$446,700 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 328 jobs could be lost in D.C.
  - 152 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 176 jobs could be lost due to expenditure-induced impact
- Washington, D.C. would lose over \$893,500 in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Florida

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN FLORIDA

- 25,500 jobs through core and supplier sectors
- 67,100 jobs through consumer expenditures on tobacco products
- 92,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 2,540,000 smokers pay \$581 million extra state and federal taxes
  - The federal government gets \$230.8 million of this amount
  - The state government gets \$350.2 million
- Florida collects \$116.2 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Florida state cigarette taxes have increased 14.28%
- At current rates, 34.7% of the total price of a pack of cigarettes in Florida is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,700 jobs could be lost in the state
  - 1,019 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,681 jobs could be lost due to expenditure-induced impact
- State would lose over \$14 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,399 jobs could be lost in the state
  - 2,038 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,361 jobs could be lost due to expenditure-induced impact
- State would lose over \$28.1 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Georgia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN GEORGIA

- 22,900 jobs through core and supplier sectors
- 35,700 jobs through consumer expenditures on tobacco products
- 58,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack
- 1,262,000 smokers pay \$218.8 million extra state and federal taxes
  - The federal government gets over \$125 million of this amount
  - The state government gets over \$92 million
- Georgia collects \$31.3 million in sales tax revenue from cigarettes
- At current rates, 28.3% of the total price of a pack of cigarettes in Georgia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,343 jobs could be lost in the state
  - 916 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,427 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,687 jobs could be lost in the state
  - 1,833 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,854 jobs could be lost due to expenditure-induced impact
- State would lose over \$7.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Hawaii

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN HAWAII

- 2,100 jobs through core and supplier sectors
- 2,200 jobs through consumer expenditures on tobacco products
- 4,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 40%
- 226,000 smokers pay \$30.9 million extra state and federal taxes
  - The federal government gets \$11.9 million of this amount
  - The state government gets over \$19 million
- Hawaii collects \$3.6 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Hawaii state cigarette taxes have increased 57%.
- At current rates, 40.8% of the total price of a pack of cigarettes in Hawaii is tax.

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 172 jobs could be lost in the state
  - 84 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 88 jobs could be lost due to expenditure-induced impact
- State would lose over \$847,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 344 jobs could be lost in the state
  - 168 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 176 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Idaho

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IDAHO

- 1,700 jobs through core and supplier sectors
- 4,600 jobs through consumer expenditures on tobacco products
- 6,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 204,000 smokers pay \$29.7 million extra state and federal taxes
  - The federal government gets \$14 million of this amount
  - The state government gets \$15.8 million
- Idaho collects \$6.1 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Idaho state cigarette taxes have increased 97.8%
- At current rates, 31.8% of the total price of a pack of cigarettes in Idaho is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 252 jobs could be lost in the state
  - 68 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 184 jobs could be lost due to expenditure-induced impact
- State would lose over \$629,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 504 jobs could be lost in the state
  - 136 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 368 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Illinois

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN ILLINOIS

- 30,500 jobs through core and supplier sectors
- 75,800 jobs through consumer expenditures on tobacco products
- 106,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 20 cents per pack
- 2,526,000 smokers pay \$451.5 million extra state and federal taxes
  - The federal government gets \$200.7 million of this amount
  - The state government gets \$250.8 million
- Illinois collects \$100.3 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Illinois state cigarette taxes have increased 66.7%
- At current rates, 33.3% of the total price of a pack of cigarettes in Illinois is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 4,261 jobs could be lost in the state
  - 1,221 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,040 jobs could be lost due to expenditure-induced impact
- State would lose over \$10 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 8,522 jobs could be lost in the state
  - 2,441 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,081 jobs could be lost due to expenditure-induced impact
- State would lose over \$20 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Indiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN INDIANA

- 11,000 jobs through core and supplier sectors
- 33,200 jobs through consumer expenditures on tobacco products
- 44,200 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15.5 cents per pack
- 1,196,000 smokers pay \$235 million extra state and federal taxes
  - The federal government gets \$19 million of this amount
  - The state government gets \$116 million
- Indiana collects \$44.8 million in sales tax revenue from cigarettes
- At current rates, 32.5% of the total price of a pack of cigarettes in Indiana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,769 jobs could be lost in the state
  - 440 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,329 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,539 jobs could be lost in the state
  - 880 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,659 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.4 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Iowa

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN IOWA

- 5,900 jobs through core and supplier sectors
- 15,700 jobs through consumer expenditures on tobacco products
- 21,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 34 cents per pack, effective 3/88
- 638,000 smokers pay \$127.6 million extra state and federal taxes
  - The federal government gets \$45.9 million of this amount
  - The state government gets \$81.7 million
- Iowa collects \$17.2 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Iowa state cigarette taxes have increased 88.9%
- At current rates, 43% of the total price of a pack of cigarettes in Iowa is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 864 jobs could be lost in the state
  - 236 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 628 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.2 million in excise tax revenues

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,739 jobs could be lost in the state
  - 472 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,257 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.5 million in excise tax revenues

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE FEDERAL  
EXCISE TAX ON CIGARETTES

Kansas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KANSAS

- 4,900 jobs through core and supplier sectors
- 14,100 jobs through consumer expenditures on tobacco products
- 19,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 24 cents per pack
- 536,000 smokers pay \$103 million extra state and federal taxes
  - The federal government gets \$41.2 million of this amount
  - The state government gets \$61.8 million
- Kansas collects \$12.9 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Kansas state cigarette taxes have increased 118%
- At current rates, 34.8% of the total price of a pack of cigarettes in Kansas is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 759 jobs could be lost in the state
  - 196 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 563 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,518 jobs could be lost in the state
  - 392 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,126 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.9 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Kentucky

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN KENTUCKY

- 59,400 jobs through core and supplier sectors
- 74,100 jobs through consumer expenditures on tobacco products
- 133,500 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 3 cents per pack
- 808,000 smokers pay \$124 million extra state and federal taxes
  - The federal government gets \$104.4 million of this amount
  - The state government gets \$19.6 million
- Kentucky collects \$32.7 million in sales tax revenue from cigarettes
- At current rates, 24% of the total price of a pack of cigarettes in Kentucky is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,353 jobs could be lost in the state
  - 2,375 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,978 jobs could be lost due to expenditure-induced impact
- State would lose over \$783,600 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 10,685 jobs could be lost in the state
  - 4,749 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 5,936 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Louisiana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN LOUISIANA

- 8,600 jobs through core and supplier sectors
- 8,600 jobs through consumer expenditures on tobacco products
- 15,100 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16 cents per pack
- 932,000 smokers pay almost \$160 million extra state and federal taxes
  - The federal government gets \$79.8 million of this amount
  - The state government gets \$79.8 million
- Louisiana collects \$25.1 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Louisiana state cigarette taxes have increased 45%.
- At current rates, 29.5% of the total price of a pack of cigarettes is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 949 jobs could be lost in the state
  - 344 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 605 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,897 jobs could be lost in the state
  - 688 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,209 jobs could be lost due to expenditure-induced impact
- State would lose over \$8.2 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361938

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Maine

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MAINE

- 2,200 jobs through core and supplier sectors
- 5,100 jobs through consumer expenditures on tobacco products
- 7,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 28 cents per pack
- 255,000 smokers pay \$65.4 million extra state and federal taxes
  - The federal government gets \$ 23.8 million of this amount
  - The state government gets \$ 41.6 million
- Maine collects \$10.4 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Maine state cigarette taxes have increased 75%
- At current rates, 37.5% of the total price of a pack of cigarettes in Maine is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 292 jobs could be lost in the state
  - 88 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 204 jobs could be lost due to expenditure-induced impact
- State would lose over \$2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 583 jobs could be lost in the state
  - 176 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 407 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.1 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361939

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Maryland

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MARYLAND

- 13,500 jobs through core and supplier sectors
- 19,000 jobs through consumer expenditures on tobacco products
- 32,500 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 979,000 smokers pay \$152.2 million extra state and federal taxes
  - The federal government gets \$ 84 million of this amount
  - The state government gets \$ 68.2 million
- At current rates, 26.6% of the total price of a pack of cigarettes in Maryland is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,300 jobs could be lost in the state
  - 540 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 760 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,601 jobs could be lost in the state
  - 1,080 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,521 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361940

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Massachusetts

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MASSACHUSETTS

- 14,100 jobs through core and supplier sectors
- 31,400 jobs through consumer expenditures on tobacco products
- 45,500 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 26 cents per pack
- 1,330,000 smokers pay \$276 million extra state and federal taxes
  - The federal government gets \$ 105.1 million of this amount
  - The state government gets \$170.9 million
- Massachusetts collects \$46 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in January 1983, Massachusetts state cigarette taxes have increased 23.8%
- At current rates, 35.4% of the total price of a pack of cigarettes in Massachusetts is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,822 jobs could be lost in the state
  - 564 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,258 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.8 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,644 jobs could be lost in the state
  - 1,128 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,516 jobs could be lost due to expenditure-induced impact
- State would lose over \$13.6 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Michigan

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MICHIGAN

- 15,600 jobs through core and supplier sectors
- 54,900 jobs through consumer expenditures on tobacco products
- 70,500 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 25 cents per pack, effective 1/88
- 1,977,000 smokers pay \$415.1 million extra state and federal taxes
  - The federal government gets \$162.6 million of this amount
  - The state government gets \$252.5 million
- Michigan collects \$56.1 million in sales tax revenue from cigarettes
- Since the Federal Excise Tax was doubled in 1983, Michigan cigarette taxes have increased 19%
- At current rates, 36.2% of the total price of a pack of cigarettes in Michigan is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,824 jobs could be lost in the state
  - 624 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,200 jobs could be lost due to expenditure-induced impact
- State would lose over \$11.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 5,648 jobs could be lost in the state
  - 1,248 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,400 jobs could be lost due to expenditure-induced impact
- State would lose over \$22.4 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Minnesota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MINNESOTA

- 9,400 jobs through core and supplier sectors
- 22,800 jobs through consumer expenditures on tobacco products
- 32,200 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 38 cents per pack
- 911,000 smokers pay 218.2 million extra state and federal taxes
  - The federal government gets \$64.6 million of this amount
  - The state government gets \$153.6 million
- Minnesota collects \$36.4 million in sales tax revenue from cigarettes
- Since the Federal Excise Tax was doubled in 1983, Minnesota state cigarette taxes have increased 111%
- At current rates, 41.8% of the total price of a pack of cigarettes in Minnesota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,287 jobs could be lost in the state
  - 376 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 911 jobs could be lost due to expenditure-induced impact
- State would lose over \$6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,575 jobs could be lost in the state
  - 752 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,823 jobs could be lost due to expenditure-induced impact
- State would lose over \$12.1 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Mississippi

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSISSIPPI

- 3,900 jobs through core and supplier sectors
- 14,400 jobs through consumer expenditures on tobacco products
- 18,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 540,000 smokers pay \$99.2 million extra state and federal taxes
  - The federal government gets \$46.7 million of this amount
  - The state government gets \$52.5 million
- Mississippi collects \$23.3 million in sales tax revenue from cigarettes
- Since the federal excise tax was doubled in 1983, Mississippi state cigarette taxes have increased 63.6%
- At current rates, 32.2% of the total price of a pack of cigarettes in Mississippi is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 732 jobs could be lost in the state
  - 156 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 576 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,464 jobs could be lost in the state
  - 312 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,152 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.2 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Missouri

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MISSOURI

- 10,600 jobs through core and supplier sectors
- 25,300 jobs through consumer expenditures on tobacco products
- 35,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,108,000 smokers pay \$191.2 million extra state and federal taxes
  - The federal government gets \$105.5 million of this amount
  - The state government gets \$85.7 million
- Missouri collects \$33 million in sales tax revenues from cigarettes
- At current rates, 28.4% of the total price of a pack of cigarettes in Missouri is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,434 jobs could be lost in the state
  - 424 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,010 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,869 could be lost in the state
  - 848 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,021 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.8 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Montana

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN MONTANA

- 1,600 jobs through core and supplier sectors
- 3,300 jobs through consumer expenditures on tobacco products
- 4,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 16 cents per pack
- 2,648,000 smokers pay \$23.2 million extra state and federal taxes
  - The federal government gets \$11.6 million of this amount
  - The state government gets \$11.6 million
- Since the federal excise tax increase in 1983, Montana state cigarette taxes have increased 33.3%
- At current rates, 27.8% of the total price of a pack of cigarettes in Montana is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 196 jobs could be lost in the state
  - 64 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 132 jobs could be lost due to expenditure-induced impact
- State would lose over \$464,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 392 jobs could be lost in the state
  - 128 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 264 jobs could be lost due to expenditure-induced impact
- State would lose over \$929,000 in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Nebraska

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEBRASKA

- 3,600 jobs through core and supplier sectors
- 5,300 jobs through consumer expenditures on tobacco products
- 8,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 349,000 smokers pay \$64.6 million extra state and federal taxes
  - The federal government gets \$24 million of this amount
  - The state government gets \$40.5 million
- Nebraska collects \$9 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nebraska state cigarette taxes have increased 50%
- At current rates, 37.9% of the total price of a pack of cigarettes in Nebraska is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 356 jobs could be lost in the state
  - 144 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 212 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.6 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 711 jobs could be lost in the state
  - 288 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 423 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.2 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April

2501361947

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Nevada

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEVADA

- 2,000 jobs through core and supplier sectors
- 2,300 jobs through consumer expenditures on tobacco products
- 4,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 20 cents per pack
- 203,000 smokers pay \$52.5 million extra state and federal taxes
  - The federal government gets \$23.5 million of this amount
  - The state government gets over \$28 million
- Nevada collects \$11.7 million in sales tax revenues from cigarettes
- Since the federal excise tax was doubled in 1983, Nevada state cigarette taxes have increased 100%
- At current rates, 32% of the total price of a pack of cigarettes in Nevada is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 172 jobs could be lost in the state
  - 80 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 92 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 344 jobs could be lost in the state
  - 160 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 184 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.3 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

New Hampshire

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW HAMPSHIRE

- 2,000 jobs through core and supplier sectors
- 6,600 jobs through consumer expenditures on tobacco products
- 8,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 217,000 smokers pay 62.4 million extra state and federal taxes
  - The federal government gets \$30.4 million of this amount
  - The state government gets \$32 million
- Since the federal excise tax was doubled in 1983, New Hampshire state cigarette taxes have increased 41.6%
- At current rates, 29.1% of the total price of a pack of cigarettes in New Hampshire is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 344 jobs could be lost in the state
  - 80 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 264 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 687 jobs could be lost in the state
  - 160 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 527 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

New Jersey

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW JERSEY

- 18,400 jobs through core and supplier sectors
- 60,500 jobs through consumer expenditures on tobacco products
- 78,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 1,699,000 smokers pay \$358.2 million extra state and federal taxes
  - The federal government gets \$132.8 million of this amount
  - The state government gets \$225.4 million
- Since the federal excise tax was doubled in 1983, New Jersey state cigarette taxes have increased 12.5%
- At current rates, 32.6% of the total price of a pack of cigarettes in New Jersey is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,153 jobs could be lost in the state
  - 735 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,418 jobs could be lost due to expenditure-induced impact
- State would lose over \$9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 6,307 jobs could be lost in the state
  - 1,471 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,836 jobs could be lost due to expenditure-induced impact
- State would lose over \$18.1 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

New Mexico

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW MEXICO

- 2,300 jobs through core and supplier sectors
- 3,500 jobs through consumer expenditures on tobacco products
- 5,800 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 15 cents per pack
- 296,000 smokers pay 36.7 million extra state and federal taxes
  - The federal government gets \$18.9 million of this amount
  - The state government gets \$17.8 million
- New Mexico collects \$7.1 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, New Mexico state cigarette taxes have increased 25%
- At current rates, 30.9% of the total price of a pack of cigarettes in New Mexico is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 232 jobs could be lost in the state
  - 92 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 140 jobs could be lost due to expenditure-induced impact
- State would lose over \$711,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 464 jobs could be lost in the state
  - 184 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 280 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

New York

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NEW YORK

- 49,000 jobs through core and supplier sectors
- 195,300 jobs through consumer expenditures on tobacco products
- 244,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 33 cents per pack, effective 5/1/89
- 4,004,000 smokers pay \$706 million extra state and federal taxes
  - The federal government gets \$305.3 million of this amount
  - The state government gets \$400.7 million
- New York collects \$95.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax doubled in 1983, New York state cigarette taxes have increased 120%\*
- At current rates, 37.8% of the total price of a pack of cigarettes in New York is tax\*

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 9,751 jobs could be lost in the state
  - 1,962 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 7,789 jobs could be lost due to expenditure-induced impact
- State would lose over \$16 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 19,503 jobs could be lost in the state
  - 3,925 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 15,578 jobs could be lost due to expenditure-induced impact
- State would lose over \$32.1 million in excise tax revenue

\*reflects 12 cent increase effective 5/1/89

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

North Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NORTH CAROLINA

- 90,000 jobs through core and supplier sectors
- 167,100 jobs through consumer expenditures on tobacco products
- 257,100 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2 cents per pack
- 1,370,000 smokers pay \$170.8 million extra state and federal taxes
  - The federal government gets \$151.8 million of this amount
  - The state government gets \$19 million
- North Carolina collects \$28.3 million in sales tax revenues from cigarettes
- At current rates, 21.2% of the total price of a pack of cigarettes in North Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 10,272 jobs could be lost in the state
  - 3,614 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,658 jobs could be lost due to expenditure-induced impact
- State would lose over \$758,800 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 20,543 jobs could be lost in the state
  - 7,228 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 13,315 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

North Dakota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN NORTH DAKOTA

- 1,500 jobs through core and supplier sectors
- 1,500 jobs through consumer expenditures on tobacco products
- 3,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 146,000 smokers pay over \$26 million extra state and federal taxes
  - The federal government gets \$9.7 million of this amount
  - The state government gets \$17 million
- North Dakota collects \$4.2 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, North Dakota state cigarette taxes have increased 125%
- At current rates, 38.4% of the total price of a pack of cigarettes in North Dakota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 120 jobs could be lost in the state
  - 60 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 60 jobs could be lost due to expenditure-induced impact
- State would lose over \$656,600 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 240 jobs could be lost in the state
  - 120 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 120 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.3 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361954

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Ohio

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OHIO

- 21,800 jobs through core and supplier sectors
- 76,800 jobs through consumer expenditures on tobacco products
- 98,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,362,000 smokers pay \$450 million extra state and federal taxes
  - The federal government gets over \$212 million of this amount
  - The state government gets about \$237 million
- Ohio collects \$79.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Ohio state cigarette taxes have increased 28.6%
- At current rates, 35% of the total price of a pack of cigarettes in Ohio is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,938 jobs could be lost in the state
  - 872 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,066 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,877 jobs could be lost in the state
  - 1,745 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 6,132 jobs could be lost due to expenditure-induced impact
- State would lose over \$19 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361955

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Oklahoma

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OKLAHOMA

- 6,200 jobs through core and supplier sectors
- 11,300 jobs through consumer expenditures on tobacco products
- 17,500 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 713,000 smokers pay \$135 million extra state and federal taxes
  - The federal government gets \$55.3 million of this amount
  - The state government gets \$79.7 million
- Oklahoma collects \$17.3 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Oklahoma state cigarette taxes have increased 27.8%
- At current rates, 34.5% of the total price of a pack of cigarettes in Oklahoma is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 699 jobs could be lost in the state
  - 248 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 451 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.1 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,399 jobs could be lost in the state
  - 496 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 903 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.3 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics; 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361956

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Oregon

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN OREGON

- 5,000 jobs through core and supplier sectors
- 16,900 jobs through consumer expenditures on tobacco products
- 21,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack
- 590,000 smokers pay \$127.4 million extra state and federal taxes
  - The federal government gets \$47.4 million of this amount
  - The state government gets \$80 million
- Since the federal cigarette tax was doubled in 1983, Oregon state cigarette taxes have increased 42%
- At current rates, 32.9% of the total price of a pack of cigarettes in Oregon is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 877 jobs could be lost in the state
  - 200 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 677 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 1,755 jobs could be lost in the state
  - 400 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,355 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.4 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

2501361957

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Pennsylvania

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN PENNSYLVANIA

- 28,100 jobs through core and supplier sectors
- 60,900 jobs through consumer expenditures on tobacco products
- 89,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 18 cents per pack
- 2,697,000 smokers pay 448.9 million extra state and federal taxes
  - The federal government gets \$211.2 million of this amount
  - The state government gets \$237.7 million
- Pennsylvania collects \$90.2 million in sales tax revenues from cigarettes
- At current rates, 34.4% of the total price of a pack of cigarettes in Pennsylvania is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 3,558 jobs could be lost in the state
  - 1,124 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,434 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.5 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 7,114 jobs could be lost in the state
  - 2,247 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,867 jobs could be lost due to expenditure-induced impact
- State would lose over \$19 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Rhode Island

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN RHODE ISLAND

- 1,900 jobs through core and supplier sectors
- 5,300 jobs through consumer expenditures on tobacco products
- 7,200 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 27 cents per pack, effective 7/88
- 221,000 smokers pay \$55.9 million extra state and federal taxes
  - The federal government gets \$21.9 million of this amount
  - The state government gets \$34 million
- Since the federal cigarette tax was doubled in 1983, Rhode Island state cigarette taxes have increased 8%
- At current rates, 35.4% of the total price of a pack of cigarettes in Rhode Island is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 288 jobs could be lost in the state
  - 76 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 212 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.3 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 576 jobs could be lost in the state
  - 152 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 424 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.7 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

South Carolina

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH CAROLINA

- 11,600 jobs through core and supplier sectors
- 19,300 jobs through consumer expenditures on tobacco products
- 30,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 7 cents per pack
- 713,000 smokers pay \$98.9 million extra state and federal taxes
  - The federal government gets \$68.6 million of this amount
  - The state government gets \$30.1 million
- South Carolina collects \$25.8 million in sales tax revenues from cigarettes
- At current rates, 27.4% of the total price of a pack of cigarettes in South Carolina is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,236 jobs could be lost in the state
  - 464 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 772 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,471 jobs could be lost in the state
  - 928 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,543 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.4 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989



EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

South Dakota

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN SOUTH DAKOTA

- 1,300 jobs through core and supplier sectors
- 1,600 jobs through consumer expenditures on tobacco products
- 2,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 150,000 smokers pay \$26 million extra state and federal taxes
  - The federal government gets \$10.7 million of this amount
  - The state government gets \$15.3 million
- South Dakota collects \$3.3 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, South Dakota state cigarette taxes have increased 53.3%
- At current rates, 33.9% of the total price of a pack of cigarettes in South Dakota is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 116 jobs could be lost in the state
  - 52 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 64 jobs could be lost due to expenditure-induced impact
- State would lose over \$609,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 232 jobs could be lost in the state
  - 104 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 128 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.2 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Tennessee

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN TENNESSEE

- 18,400 jobs through core and supplier sectors
- 32,300 jobs through consumer expenditures on tobacco products
- 50,700 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 13 cents per pack
- 1,041,000 smokers pay \$180 million extra state and federal taxes
  - The federal government gets \$100 million of this amount
  - The state government gets \$80 million
- Tennessee collects \$55.2 million in sales tax revenues from cigarettes
- At current rates, 31.4% of the total price of a pack of cigarettes in Tennessee is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 2,028 jobs could be lost in the state
  - 735 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,293 jobs could be lost due to expenditure-induced impact
- State would lose over \$3.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 4,056 jobs could be lost in the state
  - 1,471 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,585 jobs could be lost due to expenditure-induced impact
- State would lose over \$6.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Texas

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN TEXAS

- 33,200 jobs through core and supplier sectors
- 71,600 jobs through consumer expenditures on tobacco products
- 104,800 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 26 cents per pack
- 3,382,000 smokers pay \$684.6 million extra state and federal taxes
  - The federal government gets \$285.6 million of this amount
  - The state government gets \$399 million
- Texas collects \$130.4 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Texas state cigarette taxes have increased 40.5%
- At current rates, 36.8% of the total price of a pack of cigarettes in Texas is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,431 jobs could be lost in the state
  - 1,327 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 4,104 jobs could be lost due to expenditure-induced impact
- State would lose over \$17.2 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 10,861 jobs could be lost in the state
  - 2,654 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 8,207 jobs could be lost due to expenditure-induced impact
- State would lose over \$34.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Utah

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN UTAH

- 2,700 jobs through core and supplier sectors
- 6,900 jobs through consumer expenditures on tobacco products
- 8,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 23 cents per pack
- 308,000 smokers pay 36.7 million extra state and federal taxes
  - The federal government gets \$15 million of this amount
  - The state government gets \$21.7 million
- Utah collects \$6.6 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Utah state cigarette taxes have increased 91.6%
- At current rates, 35.4% of the total price of a pack of cigarettes in Utah is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 385 jobs could be lost in the state
  - 108 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 277 jobs could be lost due to expenditure-induced impact
- State would lose over \$922,700 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 769 jobs could be lost in the state
  - 216 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 553 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.8 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

2501361964

April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Vermont

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VERMONT

- 900 jobs through core and supplier sectors
- 2,500 jobs through consumer expenditures on tobacco products
- 3,400 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 117,000 smokers pay \$23.7 million extra state and federal taxes
  - The federal government gets \$11.5 million of this amount
  - The state government gets \$12.2 million
- Vermont collects \$3.5 million in sales tax revenue from cigarettes
- Since the federal cigarette tax was doubled in 1983, Vermont state cigarette taxes have increased 41.6%
- At current rates, 29.5% of the total price of a pack of cigarettes in Vermont is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 136 jobs could be lost in the state
  - 36 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 100 jobs could be lost due to expenditure-induced impact
- State would lose over \$488,200 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 272 jobs could be lost in the state
  - 72 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 200 jobs could be lost due to expenditure-induced impact
- State would lose over \$976,400 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN VIRGINIA

- 54,400 jobs through core and supplier sectors
- 91,900 jobs through consumer expenditures on tobacco products
- 146,300 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 2.5 cents per pack
- 1,262,000 smokers pay \$142.6 million extra state and federal taxes
  - The federal government gets \$123.3 million of this amount
  - The state government gets \$19.3 million
- Virginia collects \$38.5 million in sales tax revenues from cigarettes
- At current rates, 21.9% of the total price of a pack of cigarettes in Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 5,836 jobs could be lost in the state
  - 2,169 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 3,667 jobs could be lost due to expenditure-induced impact
- State would lose over \$770,100 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 11,673 jobs could be lost in the state
  - 4,339 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 7,334 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.5 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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April 1989

EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Washington

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WASHINGTON

- 7,900 jobs through core and supplier sectors
- 24,700 jobs through consumer expenditures on tobacco products
- 32,600 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 31 cents per pack
- 957,000 smokers pay \$188.6 million extra state and federal taxes
  - The federal government gets \$64.2 million of this amount
  - The state government gets \$124.4 million
- Washington collects over \$40 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Washington state cigarette taxes have increased 34.8%
- At current rates, 37.6% of the total price of a pack of cigarettes in Washington is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,307 jobs could be lost in the state
  - 316 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 991 jobs could be lost due to expenditure-induced impact
- State would lose over \$4.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 2,614 jobs could be lost in the state
  - 632 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,982 jobs could be lost due to expenditure-induced impact
- State would lose over \$9.9 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

West Virginia

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WEST VIRGINIA

- 3,600 jobs through core and supplier sectors
- 7,400 jobs through consumer expenditures on tobacco products
- 11,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 17 cents per pack
- 426,000 smokers pay \$69.7 million extra state and federal taxes
  - The federal government gets \$33.8 million of this amount
  - The state government gets \$35.9 million
- West Virginia collects \$16.9 million in sales tax revenues from cigarettes
- At current rates, 31.5% of the total price of a pack of cigarettes in West Virginia is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 439 jobs could be lost in the state
  - 144 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 295 jobs could be lost due to expenditure-induced impact
- State would lose over \$1.4 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 879 jobs could be lost in the state
  - 288 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 591 jobs could be lost due to expenditure-induced impact
- State would lose over \$2.8 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Wisconsin

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WISCONSIN

- 9,800 jobs through core and supplier sectors
- 31,200 jobs through consumer expenditures on tobacco products
- 41,000 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 30 cents per pack
- 1,046,000 smokers pay \$228.3 million extra state and federal taxes
  - The federal government gets \$80.6 million of this amount
  - The state government gets \$147.7 million
- Wisconsin collects \$34.7 million in sales tax revenues from cigarettes
- Since the federal cigarette tax was doubled in 1983, Wisconsin state cigarette taxes have increased 20%
- At current rates, 39.1% of the total price of a pack of cigarettes in Wisconsin is tax

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 1,639 jobs could be lost in the state
  - 392 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 1,247 jobs could be lost due to expenditure-induced impact
- State would lose over \$5.9 million in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 3,279 jobs could be lost in the state
  - 784 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 2,495 jobs could be lost due to expenditure-induced impact
- State would lose over \$11.9 million in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

April 1989

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EMPLOYMENT AND REVENUE EFFECTS OF AN INCREASE IN THE  
FEDERAL EXCISE TAX ON CIGARETTES

Wyoming

CURRENT IMPACT OF TOBACCO ON THE ECONOMY:

TOBACCO-RELATED EMPLOYMENT IN WYOMING

- 1,000 jobs through core and supplier sectors
- 1,900 jobs through consumer expenditures on tobacco products
- 2,900 total tobacco-related jobs

TAXES

- State Excise Tax Rate is 12 cents per pack, effective 7/1/89
- 105,000 smokers pay \$13.4 million extra state and federal taxes
  - The federal government gets \$8.9 million of this amount
  - The state government gets \$4.5 million
- Since the federal cigarette tax was doubled in 1983, Wyoming state cigarette taxes have increased 50%\*
- At current rates, 24% of the total price of a pack of cigarettes in Wyoming is tax\*

THE IMPACT OF A FEDERAL EXCISE TAX INCREASE:

8 Cent Increase (from 16 to 24 cents per pack)

- Total of 116 jobs could be lost in the state
  - 40 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 76 jobs could be lost due to expenditure-induced impact
- State would lose over \$178,000 in excise tax revenue

16 Cent Increase (from 16 to 32 cents per pack)

- Total of 232 jobs could be lost in the state
  - 80 jobs would be in jeopardy in the core and supplier sector
  - The man-hour equivalent of another 152 jobs could be lost due to expenditure-induced impact
- State would lose over \$357,000 in excise tax revenue

Note: Uses 1987 assumption of U.S. House of Representatives Budget Committee that a \$1.60 per carton tax increase would reduce cigarette sales by 8%.

\*reflects 4 cent increase effective 7/1/89

Sources: The Impact of the Tobacco Industry on the United States Economy; Chase Econometrics, 1985.  
The Tax Burden on Tobacco; Tobacco Institute, 1988.

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